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In Middle America, A Mood of Despair

door interviews with voters and a wide cross section of community leaders here disclosed strikingly negative feelings about the direction of the country and the performance of its leaders, including President Reagan.

Poles Accuse U.S. Diplomat Of Espionage

WARSAW — The Polish government accused a U.S. diplomat stationed here of spying Wednesday and said his activity was evidence of aggressive and ongoing U.S. espionage in East bloc countries.

Kiosk Confidence Vote Ordered in Italy

ROME (Reuters) — A vote of confidence that is expected to bring down Italy's own minority government and provoke a general election on June 21 will be held on Tuesday, parliamentarians here decided Wednesday night.

Gorbachev Missile Plan: An Offer Hard to Refuse

PARIS — On the eve of the resumption of the Geneva arms negotiations, officials in France, West Germany and Britain portrayed the proposed agreement as a Soviet offer that politically their leaders probably cannot refuse.

Prime Tax Havens Becoming an Endangered Species

WASHINGTON — Tax evaders, insider traders, drug traffickers and others looking for foreign places to hide ill-gotten money are discovering that even in the clandestine world of tax havens and numbered accounts bankers can no longer be counted on to keep their mouths shut.



Filibuster in Japanese Diet Takes a Toll Members of the Japanese parliament, or Diet, taking naps early Wednesday as the opposition drug its feet over the 1987 national budget.

Hopes High as Arms Talks Resume Today

By Barry James International Herald Tribune U.S. and Soviet negotiators resume talks in Geneva on Thursday that could lead to the most significant arms control accord since the 1972 Strategic Arms Limitation Treaty.

U.S. Army Unit Linked To Financing of Contras

By Jeff Gerth New York Times Service WASHINGTON — The Pentagon has announced that it recently discovered that a secret army unit disbanded in 1983 had set up a Swiss bank account that may later have been used to finance arms for the Nicaraguan rebels.

France Will Sell CGCT To Swedish Consortium

By Axel Krause International Herald Tribune PARIS — The French government will sell control of France's second-largest telecommunications company to a consortium headed by L.M. Ericsson AB of Sweden.

U.S. Court Rejects Death Law Appeal

By Al Kamen Washington Post Service WASHINGTON — The Supreme Court, rejecting the last broad-based challenge to the death penalty, ruled Wednesday that a state's sentencing system is constitutional even if statistics show it may be racially discriminatory.

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Maynard W. Glitman, the chief U.S. negotiator in Geneva, talks prepared to resume on an arms control accord.

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# 6-Hour Rebellion Carried Out By Argentine Army Engineers

**The Associated Press**  
**BUENOS AIRES**—A company of army engineers has ended a six-hour revolt in the northern Argentine city of Salta, the latest in a series of mutinies brought on by military discontent over human rights trials and the makeup of the general staff.

No trouble was reported Wednesday in army garrisons across Argentina, and the four-million member General Confederation of Labor abandoned a "state of alert and mobilization," saying the country's 40-month-old democratic government had survived the threat.

The mutiny on Tuesday at Salta, in Tucuman province, followed two rebellions last week by groups of officers who oppose the army's leadership and want amnesty for soldiers accused of torture and killing under military governments that ruled from 1976-1983.

At least 19 high-ranking officers have resigned or been fired in the unrest, the government said Tuesday.

The Supreme Court resumed an extraordinary session at noon Wednesday, after deciding Tuesday to request reports from all federal courts hearing human rights cases. The court is considering taking charge of the cases, two legislators and court sources said.

It also is considering changing the interpretation of a law so as to exempt some officers from prosecution on the ground they were following orders. The army has long sought such a ruling. About 250 officers face charges of human rights abuses during the military's "dirty war" against suspected leftists, in which at least 9,000 people disappeared.

President Raúl Alfonsín, whose election in 1983 ended military rule, held an emergency session Tuesday with the Supreme Court president, José Severo Caballero. No details were provided. Mr. Alfonsín also met Wednesday with Defense Minister Horacio Jaunarena.

In Buenos Aires, 2,000 leftists protested Tuesday night in the

front of Government House against the army revolts.

General Jaunarena met late Tuesday with the new army chief of staff, General José D. Caridi, to analyze the replacement of 11 generals, a colonel, seven lieutenant colonels and a major who were removed after the military unrest surfaced April 15 with a two-day rebellion in the western city of Córdoba.

A second group of soldiers rebelled Thursday at the Campo de Mayo army camp near Buenos Aires, but they surrendered Sunday.

On Monday, after the first rebellions, General Jaunarena was temporarily appointed chief of staff. General Caridi assumed the job Monday night.

In the latest uprising, about 250 soldiers in the 5th Company of Mountain Engineers in Salta, 1,000 miles (1,600 kilometers) northwest of Buenos Aires, confined themselves to barracks for six hours.

Governor Roberto Romero of Salta said that the engineers demanded amnesty for officers ac-



General José D. Caridi, who was appointed army chief of staff earlier this week.

# Security a Problem at Many U.S. Missions

By Elaine Sciolino  
 New York Times Service

**WASHINGTON**—Some of the security problems that have arisen at the U.S. Embassy in Moscow are widespread, said Admiral Bobby R. Inman, retired, a former deputy director of central intelligence, who headed a special State Department advisory panel that investigated embassy security in 1985.

"While the Soviets most skillfully exploit them, they are not the only ones trying," he added, "and vulnerabilities are at least as large if not larger in other places where the guard is not so high."

Robert E. Lamb, assistant secretary of state for diplomatic security, acknowledged that hostile espionage is a global problem confronting U.S. diplomatic facilities.

"Moscow has a threat level unmatched in the world, but there are other places that are just as vulnerable," he said. "Espionage is a worldwide problem and not confined to just hostile countries."

In discussing security problems in Eastern Europe, the officials said that embassy buildings in Prague, Budapest, East Berlin and Sofia are next to buildings that in some cases are owned by the host government. U.S. investigators have turned up evidence of break-ins in buildings in Eastern Europe and electronic tapping.

Outside the Eastern bloc, the least acknowledged but the most serious security problems are at U.S. facilities in China, according to intelligence officials.

When Senate Foreign Relations Committee investigators visited the three Beijing embassy buildings last year, they discovered a maze of tunnels from the basements to other buildings. Doors to the tunnels were locked but did not have alarms. One tunnel led into the basement of the Czechoslovak Embassy, said a committee staff member who went on the trip.

U.S. installations also are made vulnerable by the extensive use of local employees. While West Germany, France and Britain hire an average of one local employee for every three of its own officials, the average number of local employees at U.S. posts far exceeds the number of Americans.

In December, there were 10,766 Americans and 15,327 local employees working full-time at U.S. posts around the world.

In Japan, local employees numbered 407, compared with 269 Americans. In France, there were 583 local employees and 291 Americans, and in Morocco 268 locals and 96 Americans.

Local employees outnumbered Americans even in some posts in Eastern Europe. In Czechoslovakia, 46 locals worked for 27 Americans, while in Poland, there were 119 locals and 52 Americans.

In Moscow, 210 Russians worked at the U.S. Embassy, but all have been withdrawn.

Because of language and cultural barriers, U.S. posts in China employed 336 locals and 155 Americans.

The United States can hire its own local employees in countries with large numbers of Soviet officials, such as Cuba, Nicaragua, Iraq and Syria, but it is assumed that some of them are intelligence agents and that all must report to their governments.

In November 1985, for example, the State Department issued a strong protest when Nicaragua subjected local employees of the U.S. Embassy in Managua to several hours of interrogation. U.S. diplomats in both Baghdad and Damascus have reported problems with electronic surveillance.

Government investigators assert that the problem of socializing between U.S. embassy staff members and local employees and residents is more widespread than is generally acknowledged.

U.S. officials working at the U.S. Interests Section in Havana and the embassy in Managua have been sent home in recent years after they were found to be dating local women.

It is common practice for the Soviet intelligence services and their surrogates to use their nationals to seduce Americans in countries outside the Eastern bloc.

This month, Representative Jim Courter, Republican of New Jersey, submitted a bill that would ban all local workers from U.S. posts in Eastern Europe.

Although the State Department opposes the bill, it is working on a plan that would eliminate local employees from sensitive areas of U.S. offices in Eastern Europe.

# U.S. Engineer Sentenced to 10 Years for Spying, Iran Reports

**The Associated Press**  
**NICOSIA**—An Iranian court sentenced an American who confessed to spying for the CIA to 10 years in jail, Iran's official Islamic Republic News Agency reported Wednesday.

Jon Pattis, 50, a telecommunications engineer for Cosmos Engineers, of Bethesda, Maryland, was arrested in June 1986 while working at a communications center at Asadabad, 200 miles (325 kilometers) southwest of Tehran.

In an interview broadcast by Iran's state television in October, Mr. Pattis said that he had reported to the CIA through his company about Iranian military activities, oil production, inflation and the distribution of food.

He also said that he had provided information on the Asadabad center and a warning system that was supposed to protect it against attacks. His arrest came after an Iraqi air raid on the center temporarily knocked out Iran's communications with other countries.

"The CIA was highly interested in gathering information on the vulnerability of Iranian economic centers," Mr. Pattis was quoted as saying. It also wanted to know about Iran's military and port capacities, he was quoted as saying.

CIA officials at the time refused to comment on Mr. Pattis' confession or whether the CIA had any relationship with Cosmos. Cosmos also refused comment. Mr. Pattis faced seven charges linked to spying and using a forged passport. The Iranian press agency, monitored in Nicosia, did not say when Mr. Pattis' trial had taken place.

In Washington, a State Department spokesman, Bruce Ammerman, said, "We are aware of the press report, but we have no independent confirmation, and I don't have anything more on it at this point."

Official confirmation will have to come from the Swiss, who represent U.S. interests in Iran, he said.

Mr. Pattis said he worked in Iran as a telecommunications expert from 1969 to 1979. He said he returned in 1984, 1985 and 1986, the last time using a forged Italian passport in the name of Giovanni Paris.

Mr. Pattis' sister, Ellen, said after his arrest that the Iran telecommunications agency had asked Cosmos to provide its American personnel in Iran with non-American passports.

Richard W. Murphy, the assistant secretary of state for Near Eastern and South Asian affairs, said Tuesday at a meeting of the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee that "we meet, we have met" with the Mujahidin Khazq "here in Washington." He described the group as "a player" in Iran.

"We're not boycotting them," Mr. Murphy told Representative Dan Burton, Republican of Indiana. Mr. Burton had asked Mr. Murphy whether it was wise to ignore the Mujahidin Khazq, given its opposition to the present Iranian government.

In July 1985, Mr. Murphy said in a statement prepared for the subcommittee that the organization had been at the forefront of opposition to Shah Mohammed Reza Pahlavi. He called the organization the faction "most engaged in anti-U.S. and anti-Western terrorism," including the assassination of seven Americans.

At the time, the State Department was concerned about the organization's campaign to gain support and recognition on Capitol Hill.

# Windsor Fortune May Fight AIDS

**International Herald Tribune**  
**PARIS**—The Pasteur Institute probably will use money left to it by the duchess of Windsor to build a new center for research on AIDS, a spokeswoman for the institute has said.

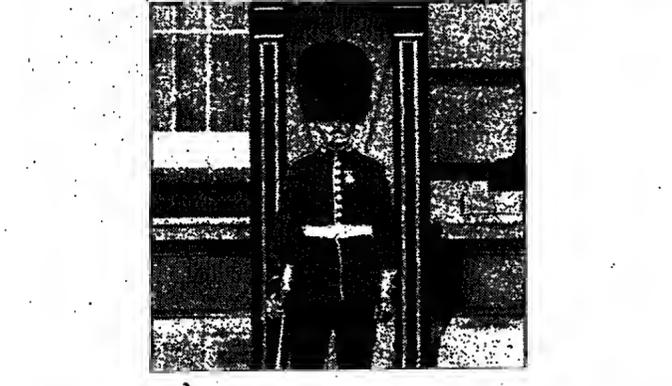
The spokeswoman said Tuesday that the institute's administrative council was to make a final decision in June on how to spend the Windsor fortune. But she said that

it seemed likely it would decide to construct a building specifically to deal with research into the disease.

The duchess, who died a year ago, named the institute as the main beneficiary in her will. Her decision was made in 1974, long before acquired immune deficiency syndrome was discovered. The institute's specialists are among the world's leading experts on AIDS.

The exact size of the legacy is unknown, but an auction of the duchess' jewels in Geneva this month raised more than \$50 million for the institute. The auction had been expected to raise only \$7.5 million.

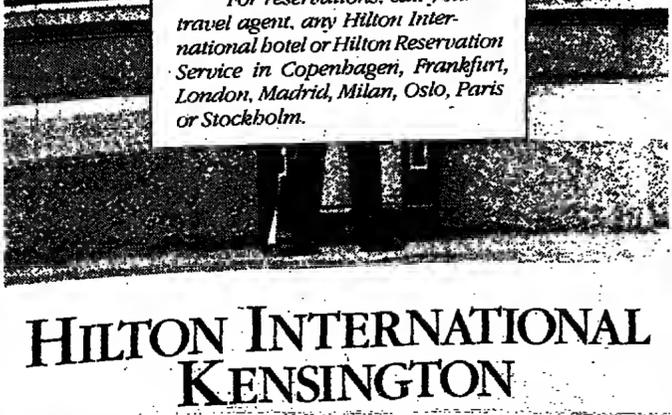
The duke of Windsor, as King Edward VIII of England, abdicated in 1936 to marry Wallis Warfield Simpson. He and the duchess lived the rest of their lives, except during World War II, in Paris. He died in 1972.



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# Business takes off with Falcon

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Take Yes for an Answer

Not a chance! That is what Western experts said about President Reagan's 1981 proposal to eliminate all medium-range missiles in Europe. Too one-sided, they scoffed; Moscow would never accept it. The Russians would have to destroy 1,300 SS-20 warheads compared with 300 for the United States.

The experts were wrong. This year Mikhail Gorbachev accepted the "zero-zero" idea. Not good enough, Washington and its allies responded. What about the Russians' 130 shorter-range missiles in Eastern Europe? For a deal, Washington must have the right to deploy an equal number.

No need for that, said the obliging Mr. Gorbachev last week. The Russians are willing to eliminate all their shorter-range missiles in Eastern Europe, unilaterally.

A trick, say some European and American experts. It is designed to undermine the Western deterrent, to send Europe down a slippery slope toward denuclearization and thus helplessness in the face of superior Soviet conventional forces.

At this point it has become necessary to wonder if these leaders and experts are so suspicious of the Soviet Union that they no longer know who is in the West's interest.

The idea of zero medium-range missiles originated in the Pentagon. NATO, and particularly European leaders, urged that the talks be broadened to include missiles in the 500-to-1,000-kilometer range. Now these experts are not willing to take yes for an answer, when yes makes sense.

The idea of deterrence in Europe rests on overall American strength and the NATO doctrine of flexible response. Flexible response means the ability to respond at whatever levels the Soviet threat can be posed: medium-range missiles against medium-range missiles, battlefield nuclear weapons against battlefield weapons. If both sides eliminate a type of missile, it is hard to see how either side gains.

Nonetheless, the doubters contend that American medium-range missiles based in Europe represent a more credible deterrent than intercontinental missiles based in the United States. They assert that Washington would never risk a counterattack on American soil by using its strategic forces to defend Europe. But why would anyone expect Moscow to spare the United States if an attack on Soviet territory came from American missiles just because they were based in Europe? Even if both sides eliminated medium- and shorter-range missiles, Washington would still possess more than 3,000 nuclear bombs and artillery shells based in Europe. Contrary to assertions by General Bernard

Rogers, the NATO commander, this adds up to more than enough to strike necessary military targets in Eastern Europe. Besides, the West would retain hundreds of French and British warheads and 70-odd Pershing-1A missiles in West German hands.

Maybe, the doubters might concede. But once the process of eliminating types of nuclear missiles begins, their argument goes, it will be no way to stop at a prudent point.

When Mr. Reagan and Mr. Gorbachev agreed at the Reykjavik summit talks that they were willing to destroy all nuclear weapons, NATO allies grew understandably fearful of denuclearization.

West Germany is critical, and Germans tear themselves apart on the issue. Some might prefer the status quo, but they know the political dangers of blocking arms control. Others note that nuclear battlefield weapons are stored for the most part in West Germany, and worry that their country will be left as the only battlefield. But they are mistaken. Even after a zero-zero deal, thousands of nuclear weapons that can strike anywhere would remain elsewhere.

Reykjavik, notwithstanding, European and U.S. leaders clearly see the need to avoid denuclearization as long as the balance of conventional forces is unfavorable.

Mr. Gorbachev doubtless wants his proposals to split NATO. He doubtless would like the West to lower its military guard. He doubtless wishes to strike an accord with Mr. Reagan, whose standing among conservatives is unlikely to be equalled by his successor. He doubtless wants an international success that would strengthen his domestic image and his ability to implement reform.

That his proposals are in his country's interest does not make them automatically hostile to Western interests. What is wrong with a Soviet government as interested in better as in gms? A more progressive, moderate regime can be in Western interests, too.

None of this argues that zero-zero in Europe is perfect, or that it must be implemented in a single stroke. Prudence calls for phasing. No one knows what lies ahead for Mr. Gorbachev—or his successors. No one can be certain of the military intentions of eliminating certain missiles. The reductions should proceed in stages over several years, with opportunity for periodic review.

An agreement to eliminate medium- and shorter-range missiles in Europe will not produce peace nor end nuclear arms competition. But it does bring a rare chance to test the possibilities of East-West cooperation.

—THE NEW YORK TIMES.

## The PLO Talks Tough

Yasser Arafat returns to the news as leader of a PLO that is coming back together in the single way—a hard line—that his brand of Palestinian politics appears to foster. Given again the choice between uniting his movement and moving toward accommodation with Israel, he chose again the former. The big Palestinian meeting in Algiers is producing a result that can only please Israeli Prime Minister Yitzhak Shamir, for it allows him to shove onto the Palestinians the blame for locking the new peace negotiations that are being talked up on the international scene.

At an international conference on the Middle East, the five permanent members of the United Nations Security Council would be joined by the principal parties to the Israeli-Palestinian dispute. In Algiers, however, the PLO has sharpened the most difficult question of such a conference: Which Palestinians would come?

The more accommodating Arabs accept that Washington supports Israel's refusal to deal with a PLO that rejects Israel and employs terrorism. These Arabs have leaned to a formula that would set certain pro-Israel Palestinians in the delegation of King Hussein. American diplomacy pursued this "Jordanian option" while Shimon Peres was Isra-

el's prime minister. It was made for his Labor Party, which, unlike Mr. Shamir's Likud, is ready to exchange West Bank territory for peace. But last year Mr. Arafat rejected a joint approach to peace with Jordan, and now he insists that the PLO itself attend any conference. It is a guaranteed no-stander.

A deadly Israeli-Palestinian dynamic is working. To rationalize flight from moderation, Israelis can point to a PLO remitting on an extremist platform, and Palestinians can point to an Israeli prime minister swearing that he will surrender not an inch of the West Bank. Somehow outsiders have to intervene. The trick is to do it in a way that makes things better, not worse.

On the evidence, promoting an international conference makes things worse. It tightens up the Israelis, who fear being isolated. It encourages Palestinians to put forward maximal positions in the expectation that the Soviets (and Europeans) will support them. The right alternative is American diplomatic intervention of the forceful, imaginative sort that the Ford and Carter administrations conducted and that the Reagan administration promised in its Middle East plan of 1982, and then allowed to run out of gas.

—THE WASHINGTON POST.

## Other Comment

### The PLO Gets Itself Together

The Palestine National Council in Algiers has demonstrated more unity than the Palestine Liberation Organization has been able to muster since its virtual disintegration in 1983. It was then that Yasser Arafat and his dwindling band of followers were thrown out of the northern Lebanese city of Tripoli. The fighters who finally forced Mr. Arafat and his men to leave Lebanon were themselves Palestinians based in Damascus, and there is no doubt that they acted with the active support of the Syrian government.

All the dissenting factions were based in Damascus, and it would be reasonable to suppose that their leaders would not have been able to travel to Algiers without the permission of the Syrian authorities. Equally significant is the fact that the leaders of the extremist groups who went to Algiers remained there when the most extreme of all, Abu Nidal, decided he could not come to terms with Mr. Arafat and his moderates. This last episode has all the look of a fix, a ploy by Syria to distance itself from its extremist past, ensure a place at the Middle East peace conference if one takes place, and gradually work its way back to reasonable relations with the West.

Whatever the motives of Damascus, the facts are that the mainstream PLO under Yasser Arafat has again proved its durability. After re-establishing the Palestinian presence in Lebanon and surviving the brutal, Syrian-inspired "war of the camps" there, Mr. Arafat now appears to have united all the elements of the PLO which matter, and at fairly low cost. The trouble is that a gain for Palestinian unity does not necessarily mean a step forward on the road to peace, nor even toward a peace conference.

—The Independent (London).

### Maybe They Had It Right

We may not be back to "ill-death-us-do-part" yet, but after two decades of bad news about the American divorce rate the Census Bureau has announced that the trend seems to have peaked in the late 1970s. The experts think there are two chief reasons: First, people are getting married, on average, at a later age. Second, the bureau's observers believe that modern Americans have come around to the feeling that maybe our grandparents' generation had the right idea. If the suppositions are true, this could be the best news for the family in years.

—The Dallas Morning News.

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## OPINION



## Toward the 'Indonesian Solution' for South Asia?

By Pranay Gupte

NEW YORK — Sinhalese men, women and children are killed by militant Tamils in Sri Lanka. Hindus are killed by radical Sikhs in the troubled Indian state of Punjab. These atrocities, perpetrated by youths with a dark vision of the future, have severely shaken the philosophical self-image of the South Asian region as a nursery of non-violence and passive resistance.

Today's threat in both countries is to communal harmony, but further casualties may be economic progress, the nurturing of democracy and the ethic of moderation and tolerance. This is a watershed period for the multicultural societies of two ancient lands which embarked on a post-World War II era of development. Now the new is giving way to the old. Tribalism, ethnic chauvinism and caste consciousness have resurfaced. These are the very ills that India's founding fathers, Gandhi and Nehru, and Ceylon's D.S. Senanayake warned against and sought to overcome through modernization.

It is not the destitute and dispossessed who are rebelling but prosperous minorities who perceive themselves as being locked out of board rooms and the benefits of political power. The conventional democratic tools of negotiation and compromise have proved ineffective in dealing with the inflexible demands of separatist branding guns. In the case of the Punjabi Sikhs and the Sri Lankan Tamils, government leaders may have no choice but to escalate military involvement. This would be a severe setback to the already fragile notion in the Third World that men in mufti can govern better than men in uniforms.

In the 40 years since Sri Lanka and India obtained independence from Britain, each has enjoyed political pluralism, a rarity in developing nations. This pluralism allows minorities like the Sikhs and Tamils to achieve positions in their economies and governments substantially in excess of their demographic share. In each country there has been a remarkably free press, unlike much of the Third World where the media

are centers in these minority communities have rapidly shrunk. Mr. Jayewardene and Mr. Gandhi are likely to find that if moderation and compromise do not produce quick results, they both will be increasingly unpopular with large segments of their majority communities. Already the Hindus of India and the Sinhalese in Sri Lanka are demanding assurances of stability and security, by stepped-up force if necessary. They can stave off the course on moderation, risking the further loss of personal political ground in the hope that eventually they will get the support of moderates among the radicalized minorities. Or they can unleash the violence of the state to control the forces of separatism. Such a response might lead to the so-called Indonesian solution—widespread bloodletting in the expectation that today's violence will prevent a repetition tomorrow of yesterday's brutality.

The moral benefit of war is to make people face facts and the consequences of their words. For a century and a half, Argentines made heroic proclamations about recovering the Malvinas. Then in 1982 they collided with fact. They went to war and were humiliatingly beaten. The country had been living with fantasy. The fact was that Argentina's army was no good. Supplies and ammunition were not there. Only a few knew what they were doing. The military command was incompetent or corrupt; it misled or abandoned its officers and troops. Yet these were the army, navy and air force commanders who had been ruling Argentina for seven years, imposing on it a morose, fanatical and anonymous terror in the name of saving it from communism and from the perils of democracy.

A shuddering recognition of reality went through Argentine society in 1982. It decisively affected every part of society except one, the military. That is what was demonstrated in Buenos Aires this past week, and it was a disquieting demonstration. In 1982, Argentina awakened from a nightmare in which it had spent half a century. A country with immense gifts and national riches, once among the world's most advanced nations, had given itself in the 1940s to the demagogic populism of Juan Peron, then to his first wife, Evita, until she died, and eventually to his young widow—with each step, retreating further and further from reality until the nation finally ended up, in the 1970s, in the grip of a fatuous, ignorant and incompetent military caste. The economy, and standards of society, declined during those years. Argentina moved backward, becoming a de-developing country. It was eventually saved, to its astonishment and against its will, by Margaret Thatcher and piratical British naval improvisation combined with high British military professionalism.

Defeat did not, of course, settle things for Argentina's army. Middle-ranking officers had been formed in the ideological and psychological atmosphere of the "black years" and "the disappearances." These officers, at the same time, have only contempt today for the generals who led them into defeat in the Falklands war. They hate the left. They often make a quasi-mystical ideological amalgam of Argentine nationalism with Christianity and anti-communism. They believe that they are the scapegoats for the atrocities carried out under the military dictatorship, after having been made the victims, and scapegoats, of the Malvinas defeat. Thus they mutiny, forcing the resignation of the army chief of staff, General Hector Rios Erazo, who was identified with the prosecution of those who committed human rights offenses. But the truth they confront is that the armed forces' power of intimidation has been broken. Contempt for the army has taken the place of fear. People now speak about the *milicas* with derision. A huge gap has opened between civilian society, united—for the moment, at least—behind democratic government and the armed forces. The army itself sees its younger officers contemptuous of their past commanders. The younger officers nonetheless refuse to accept the judgment of civilians on what they, who carried out the generals' orders, in fact did during the years of military dictatorship. They claim the privileges of discipline, of blind obedience, and reject a morality of individual responsibility. They are a corps isolated from the nation, yet they believe they embody the honor of the nation. They are Argentina's lost soldiers. They are also its most dangerous men.

### Britain Could Give Democracy a Hand

By William Pfaff

PARIS — "We have to ask ourselves if we want to keep the armed forces we have or dissolve them. If we keep them, we have to take them as they are and try to democratize them. We have nothing to replace them with." That was said recently by Argentina's minister of defense, Horacio Jaunarena.

If President Raul Alfonsín has been forced to make concessions to the officers who mutinied against his government, he clearly does so for Mr. Jaunarena's reasons. The president has few choices. Confronting the mutineers, he has found little active support from other major elements in the armed forces. But he has had civilian public opinion with him.

The popular demonstrations that have taken place in Buenos Aires and the other cities and towns of the country have been the largest since Peronist days. For the last 30 years Argentines have seemed intimidated by their armed forces. Military coups have been accepted passively, with apparent indifference. This time, though, the people have rebelled against the army.

### Jackson Is Asking Tough Questions

By Tom Wicker

NEW YORK — If you think Jesse Jackson is just the "black candidate" for president, maybe you should think again—and listen.

At Drake University in Des Moines recently, Mr. Jackson obviously "tuned out" an audience that was almost all white, mostly young and entirely enthusiastic with the message that every generation "must serve its day," with its members "reaching out beyond themselves," as the generation of the '60s had in the sit-ins across the South.

Today's generation, he told the Drake students, has spent too much of its time on drugs, casual sex and selfish interests. But this generation, too, he insisted, has its challenge: to work for "economic justice" for the way men and women of the '60s worked for racial justice.

"Economic justice"—not just for poor blacks but for displaced farmers and industrial workers, the working poor everywhere—that is the message Mr. Jackson preached in Iowa last week, to a group of business and professional people in a Fifth Avenue apartment in New York Sunday night, to the Texas Legislature this week, recently to the legislators in Arkansas and Mississippi. In Ronald Reagan's America, he argues, too many are being left behind while Wall Street prospers and industry exports jobs overseas.

Mr. Jackson is talking, he says, about issues that people white and black "really care about"—jobs, plant closings, lost farms, children and drugs, education, housing. When he does refer to specifically racial issues it is often to lament

black-white conflict. "If we must fight," he says, "let's fight together, against the farm foreclosure, as the closed plant gate." Does that make him a bona fide candidate for the Democratic presidential nomination, rather than, as was the case in 1984, merely the first black man to run, merely the focus of the "Run, Jesse, run" fervor in the black community? Only time and primaries will tell. But the New York group, most of whom were hardly Jackson fans when they arrived, felt impressed by his grasp of economic issues and by his quiet but intense presentation—for instance, of a project for applying some of the \$2 trillion he said was available in pension funds to "investing in America"—in schools, housing, roads and "bridges that won't fall down."

### A Turning Point?

RAUL Alfonsín is no decorated hero but a portly grandfather with a hand and unimposing presence. He also is a tenacious democrat, however, who insists that Argentina must exorcise the ghosts of an often bloody past that includes not just the "dirty war" but also the dictatorships of Juan Peron and others in uniform if it is to live up to democratic ideals.

President Alfonsín showed on Sunday how inspiring even a bloodless speech by law can be. He set a significant precedent that may well be a turning point for democracy and civilian government in a country that has known too little of either for more than half a century.

### 1912: German Arms Bill

PARIS — The debate on the new German Army and Navy Bill began (on April 22) in the Reichstag. Herr von Bethmann-Hollweg, the Imperial Chancellor, made the opening speech. He referred at length to the present international situation in Europe and stated that, although there was no reason for anxiety, it was the duty of Germany to maintain her to her means and strength. Germany, he said, is ready to fight if forced to it, but she seeks no war. The Chancellor, continuing, denounced the alarmist articles in the press, which tended to rouse public opinion in favor of an increase of the military and naval forces. Admiral von Tirpitz, Minister of Marine, spoke on the naval proposals. He stated that every nation must now face the possibility of an unexpected war.

### 1937: Czechs Discussed

VENICE — Dr. Kurt von Schuschnigg, Austrian Chancellor, in his first interview with Premier Mussolini (on April 22), hastened to inform the Italian dictator that Austria is not in vladika and cannot consent to its isolation. The two statements, while modifying their former antagonism to Nazi Germany, are searching for practical means to put limits on expansion of Germany southward. Premier Mussolini has won Yugoslavians in the face of Hitler, and is seeking the cooperation of Roumania for his Italo-Austrian-Hungarian-Albanian-Yugoslav bloc. But Dr. von Schuschnigg insisted that Czechoslovakia be left out. Isolation of Czechoslovakia is hardly a diplomatic academic maneuver, while the Nazis are agitating for control of that country.

## Japanese Are Keeping Their Cool

By Hobart Rowen

TOKYO — Japan's response to the shock of \$300 million worth of trade sanctions at the hands of its friend Ronald Reagan is cool on the surface but bitter underneath. From Tokyo's perspective, Japan is being punished for being successful, with no admission by the Americans that they must share the blame for the huge U.S. trade deficit.

Yet the flap over the alleged dumping of semiconductors will not unravel the U.S.-Japanese alliance, at least according to those at the private, top-level Shimoda conference just concluded at the resort town of Oiso.

"The U.S.-Japan marriage has been and will continue to be stormy at points, but there will be no divorce," said Robert Scapino, director of the East Asian Studies Institute of the University of California.

It becomes clear that the Nakasone government got together after Washington announced that it would impose sanctions, and debated seriously whether to retaliate or turn the other cheek. After long discussions, the doves won out over the hawks, partly because it was concluded that a sharp response—say, by canceling the controversial agreement on semiconductors—would make it difficult for Prime Minister Yasuhiro Nakasone during his trip to Washington late this month. As it is, the House of Representatives is due to pass a restrictive trade bill the day after he arrives.

For the moment, Japan is taking a calm stance. The press, in what always reflects a private contact among publishers, has not tried to whip up anti-American sentiment.

Some Japanese wonder whether the attempt to subdue hostile feelings is healthy. Hiro Murase, senior partner of a major New York law firm, thinks that it would be better if the Japanese let off some steam.

Mr. Murase wonders whether the Japanese government, by appearing to respond so placidly to U.S. pressure, may only encourage heated American protectionists to conclude that Japan-bashing pays off.

But there is another view among Japanese which holds that the cool response by the Tokyo government—which will only object to the U.S. sanctions in a pro forma complaint to the International Trade Organization in Geneva—reflects something else.

"Some Japanese people think that maybe we did something wrong on semiconductors," said one person in this group. "The explanations by the Ministry for International Trade and Industry are not really convincing."

The Sony chairman, Akio Morita, put it more bluntly: "Some Japanese are reluctant to let go of the idea when Japan could still afford to think only of its well-being, closed off from the rest of the world." Often our actions are too little and too late.

Foreign Minister Tadashi Kuranari, in an extraordinary speech at the conference, said that Japan alone cannot correct world trade imbalances, but he called for avoiding "polemics." He acknowledged that Japan must learn to make basic changes in response to its own internal pressures and not simply to external pressures applied by the United States.

He ran down the list of things everyone now agrees Japan must do: improve the standard of living for its citizens, especially by better housing; expand imports not only from America but also from Third World countries; boost foreign aid programs to help offset the burdens America carries for global military defense.

Implicit in Mr. Kuranari's speech was an understanding that Japan must bend to U.S. pressures on trade so that the more important strategic alliance—which has never been more secure—will not be affected.

But if the consensus at the Shimoda conference seemed to be that Professor Seizaburo Sato of the University of Tokyo said, that America and Japan "will somehow stay together and muddle through this period of great difficulties," it is not altogether clear how the scenario will play out.

The fear in Japan is that something like the Ghepard amendment to the trade bill, mandating a percentage reduction in the Japanese trade surplus, will pass Congress. That could force Japan into a series of export quotas, limiting its share of American markets to conform to American restrictions. "That frightens us," said a Japanese official. "We know that Americans will then say that we put on such quotas so as to sabotage the further opening of Japanese markets. And American consumers won't like the higher prices they will pay."

He could have added that the net result would only be that South Korea, Taiwan and others would pick up the business that the Japanese lose.

—The Washington Post.

### IN OUR PAGES, 75 AND 50 YEARS AGO

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OPINION

What the Camp Guards Did Must Never Be Forgotten

By Anthony Lewis

BOSTON — Justice can never catch up with the crimes of the Nazis. But we must take whatever opportunity arises to hold even a small part of those horrors up to the light of justice.

photograph on it. The card was in Soviet archives and was sent to Washington at the request of the Justice Department.

ABROAD AT HOME

gress to make sure that persons who got up to the country by concealing a role in Nazi crimes are made to leave.

Shortly before he left office, Mr. Buchanan raised the Linnaeus case with Mr. Meese. Mr. Linnaeus came to the United States in 1951 and became a citizen in 1959.

In 1981, Federal District Judge Jacob Mishler revoked Mr. Linnaeus's citizenship, finding that evidence "overwhelmingly" supported the charge that he had helped kill Jews.

The issue was whether Mr. Linnaeus would be deported to the Soviet Union. I understand the qualms about that: the trial in absentia, the death penalty.

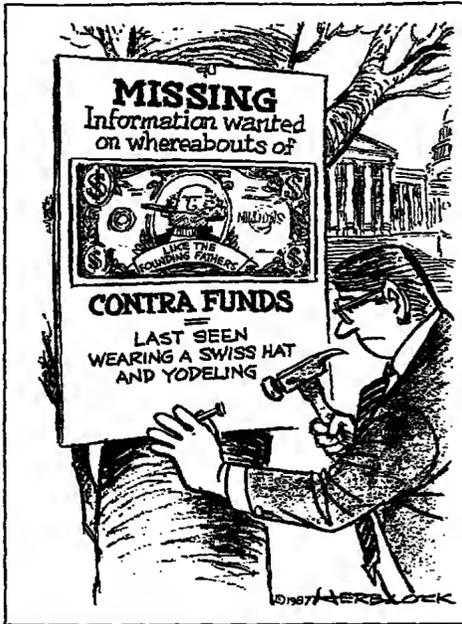
Rudolf Giuliani, the U.S. attorney in Manhattan, put it in still another hearing recently that Mr. Linnaeus had been given "every benefit, and more, of American due process."

Last week Mr. Meese tried to send Mr. Linnaeus to Panama instead of the Soviet Union. Panama officials agreed to take him, until Jewish groups showed them the court findings.

The principle of remembrance was overlooked when President Reagan chose to go to Bitburg two years ago. Patrick Buchanan, before he went to the White House, asked why the Justice Department did not go "after organized crime" instead of running down 70-year-old camp guards.

'Just Not Credible'

FOR John Demjanjuk to be guilty, we must believe that this young Red Army conscript was transformed, within weeks of capture, into the greatest mass murderer of World War II, that he survived a camp uprising in which he was the prime target, that he survived the wholesale Nazi liquidation of evidence of the events at Treblinka.



Rewarding the Pinball for Its Tos and Fros

By Franklin E. Zimring

BERKELEY, California — The mail has brought the news from XYZ Airlines that my 30,000-odd miles of travel last year qualifies me for "premier" status in its Frequent Flyer program.

The details are less important than my reaction to the honor: This was one of the most important and positive letters of my week.

Like Cub Scouts, the clubs come with a language of their own, multiple layers of status to be awarded for achievement, special-purpose insignia and rituals.

How does the allure of frequent flying borrow from pinball? Enormous numbers are used to keep score in both pursuits. These are probably the only activities in daily life where most of us can run up scores in the hundreds of

thousands on a regular basis. To the extent that keeping score is important, and it must be, the feeling of achievement that comes from video games, pinball and frequent flying owes something to the mystique of five- and six-digit numbers.

The attraction of frequent flying clubs is symbolic as well as tangible. They combine elements of two great boyhood passions: Cub Scouts and pinball.

Yet the promised rewards of frequent flying are also seen as instrumental, a way of traveling away from some of the imbalances that modern travel creates.

How does the allure of frequent flying borrow from pinball? Enormous numbers are used to keep score in both pursuits. These are probably the only activities in daily life where most of us can run up scores in the hundreds of

bedonism, and solitary business travel as the road to family solidarity.

Widespread use of frequent flyer clubs is generating a new American ethic, a frequent flyer machismo. Just as an earlier generation would feel diminished by having to pay for female companionship, paying for recreational transportation has become a secret shame.

Probably the most disturbing aspect of the appeal of frequent flying is the way it responds to our need for meaning. The computer for XYZ Airlines knows more about my schedule than my family and friends. The monthly statements tell me that my trip to Washington meant something in some cosmic scheme.

As bigger pictures go, the cosmos of frequent flying is decidedly minor league. All the more reason to study it. With the decline of church and family, community and neighborhood, with the fungibility of executive work and the yuppified convergence of the professions into a single paper-pushing job, upper middle class life has become an anomic rollercoaster with the modern airport as its hub.

How eerily fitting then that the computerized counting of our rings around this track, the rewarding of paid rides with free ones, becomes one expression of our individual hunger for meaning.

The writer is professor of law at the University of California at Berkeley. He contributed this to The New York Times.

Laughter Is Out of Order

Regarding "A President Who Can Laugh Makes His Capital Healthier" (April 1) by David S. Broder:

Yes, it is good to laugh at ourselves, but I think President Reagan's easy smile, easy good humor and jolly laughs at himself and Nancy are a calculated and cunning political weapon. He thinks that if we laugh with him we will excuse and forget his serious errors.

We cannot forget or gloss over the wrongdoing. In this case it is healthier to remember and not be tempted to laugh away the wrongdoing with the president and the press at the Gridiron Dinner.

ANN BROWN, Greensboro, North Carolina.

In Defense of Israel

Rabbi Jacob Neusner's argument (Meanwhile, March 10 and 11) that American Jews are better left in America because they are safer and more intellectually stimulated there is shaky on two accounts and operates from an altogether faulty set of criteria.

It is not certain that Jews are physically safer in one land than in the other, and Rabbi Neusner's dismissal of the embar-

assing assimilation rate is unconvincing. For a 40-year-old independent country, Israel has proved its permanence and boasts borders more secure than those of most states the same age.

Perhaps he takes comfort in counting Christian spouses of American Jews as Jews, or considers membership in a Jewish community center as a new form of religious affiliation, but there exists a high rate of intermarriage and assimilation.

Despite growing anti-Semitism, I feel comfortable asserting my Jewish identity in America. And I have no trouble reconciling traditional religious commitment with being 100 percent American.

But Rabbi Neusner misses the point of Israel's attraction for young American Jews, including intellectuals. We contemplate "aliyah" (emigration to Israel) not out of fear or dissatisfaction with American life, but out of a desire to fulfill a dream long denied to our ancestors.

Rabbi Neusner's criticisms of Israel's fledgling intellectual and creative communities are anachronistic in an age of telecommunications and open-ended academic exchange. More, those who wish to live Judaism — not only study it

— recognize Israel as the final testing ground, and not Brown University or Providence, Rhode Island, as excellent as their facilities are.

SHAI A. FRANKLIN, Publisher, Brown Middle East Journal, Brown University, Providence, Rhode Island.

Not a War Between Arabs

I shall not comment on the opinion expressed in the column about Middle East peace by George F. Will ("One Way Not to Bring Mideast Peace," April 18), for it deals mainly with Israel's interest in peace negotiations. But to cite the Iraq-Iran war as an example of intra-Arab conflict is astonishing. Iran can in no way be considered an Arab country. Arabs perceive this ugly war as a conflict between an Arab state, Iraq, and a non-Arab or even anti-Arab one, Iran.

HALA KODMANI, Arab League, Paris.

A Marine Speaks Out

I feel that your report "Moscow Marine Unit's Discipline Is Questioned" (April 6) is a slap in the face to all

marines now serving or who have served with the Marine Security Guard Battalion. The report mentions that members of Congress suggest the use of random polygraph tests. All I can say to that is: Do as we do in the Marine Corps and lead by example.

As a detachment commander on this program, I am proud to say that I have served with the finest marines in my 12-year career, and am sorry that they have to read such statements as: "Members of the battalion who provide embassy security are no more disciplined than the corps as a whole."

The corps does not deserve that comment. And many a marine has had to protect embassies under fire and siege. It disgusts me to realize that a personal friend, gunned down in his early adulthood in El Salvador while serving as a volunteer with this battalion, can be so easily forgotten and disgraced. Let us remember not only the faults but above all the outstanding record of loyalty this battalion has given in both the Marine Corps and the State Department.

EDUARDO R. RIVAS, Gunnery Sergeant, United States Marine Corps, United States Consulate, Zagreb, Yugoslavia.

Good Songs, Short Sermon

Regarding the opinion column "A Holy Show of Superstition and Prejudice" (April 14) by Edwin M. Yoder Jr.:

What with the pope's constant world travels and doctrinal rows with his underlings, Anglican prelates spitting over the ordination of women and Oral Roberts getting himself boxed in over an appeal for funds, we are reeling under a clerical onslaught. But I think Mr. Yoder might have been unfair in his slashing attack on the television evangelists alone.

Having been bored out of my tree for nearly 40 years in a mainline church, I tuned into Oral Roberts one Sunday and was taken aback to hear great gospel music being belted out by a crowd of good-looking, talented youngsters. The preacher gave an old-fashioned revivalist short sermon and closed with a pitch for our prayers to help him start building his university in Oklahoma. I was invited to write in for a copy of a book of his.

I never wrote in, but apparently many thousands did, and Oral Roberts built his university and funded several scholarship programs. I am not quite sure what Mr. Yoder finds wrong with this.

FRED A. KING, Antibes, France.

LETTERS TO THE EDITOR

NOTES ON A CENTURY

How the Chicago Tribune Gave the Herald the Byrd

This column is excerpted from "The Paris Edition," by Waverley Root, which will be published in June by North Point Press, Albany, California. Root, who died in 1982, wrote for both the Paris edition of the Chicago Tribune and for the International Herald Tribune. A veteran foreign correspondent, his books on French cuisine are internationally famous.

By Waverley Root

Commander Richard Evelyn Byrd tried to fly the Atlantic on June 29, 1927, an event in the history not only of aviation but also of the ruthless competition between the Paris Herald and the Paris Tribune.

We were tense in the office that night. Byrd was somewhere over the ocean, but he had not been sighted. Press time was approaching and so was the time when his plane would run out of fuel — and there was no news of him at all. The Tribune went to press that night with no word about Byrd, but the Herald had some: BYRD LANDS IN PARIS, a banner headline screamed from its front page above a detailed account of the landing at Le Bourget airfield.

learn that the first person to reach the plane as it stopped was a reporter from the Paris Herald. The story told what he had asked Byrd and what Byrd had replied. It was expertly handled and there was only one thing wrong with it: At almost the same moment that the Herald's presses were spewing out its copies, Byrd and his crew were struggling through the waves to the beach at Ver-sur-Mer in Normandy, off which they had ditched their plane.

The Herald story was actually the result of foresight and good technique. In the interest of speed, the paper had prepared two front pages. The banner of one read NO NEWS FROM BYRD. The other was BYRD LANDS IN PARIS. When the deadline arrived, the printers had trundled the wrong page off to the press.

The interview, in the technique often used in those days, had been written to serve as a measuring rod, the greater part of it turned out in advance with background information on the plane and its crew, a cable from New York describing his takeoff and the

telephoned reports from a reporter at Le Bourget describing the awaiting crowd. With all of this in type, the actual top of the story — the arrival and interview — could be measured beforehand and substituted to the line at the last moment. The writer saw no harm in allowing his imaginary reporter a scoop, for he knew his flight of fancy would never be printed. Unfortunately, it was.)

In the Herald city room most of the staff had not yet had time to start home when a copy boy brought up a few mint copies from the press room. Someone rushed to the intercom and bawled "Stop the presses!" The staff clattered down the stairs to prevent any papers from leaving the building, but they were too late. The trucks carrying papers for the Paris newspaper kiosks had disappeared. For the next five hours, everyone even remotely in the employ of the Herald was in the streets, buying back all copies of the paper. The news dealers may have been baffled by this windfall but it didn't displease them, especially as they re-

ceived a little later a more-conservative edition of the paper for their customers.

I heard about the Herald's monumental blooper early the next day and did a little sleuthing around the kiosks myself, but couldn't find a single copy carrying the exclusive. However, our English rival, the Continental Daily Mail, did secure one. The following day it reproduced the Herald's story with a single deadpan sentence as introduction: "The following story was printed yesterday by an American daily of Paris."

And the day after that, the Tribune announced, "The following story was printed yesterday by the Continental Daily Mail," and republished the whole, including the Mail's laconic introduction.

We added one more line at the end: "The American daily of Paris which printed the above story was not the Chicago Tribune."

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This is the thirteenth in a series of messages about the IHT which will appear throughout the Centennial year.

THE NEW YORK HERALD. EUROPEAN EDITION OF THE NEW YORK HERALD TRIBUNE. BYRD DUE TO REACH LE BOURGET ABOUT MIDNIGHT. BRITISH ARMS PLAN FAVORED. Army Fliers React Cool In Mid-Pacific at 6:22 a.m. EDITOR IS HELD IN DAUDET PLOT. Giant Plane "America" Winging Over Sea on Scientific Hop: Radio Flashes Give Position.

HIGH STANDARDS. AIR FRANCE MAINTENANCE: SOME OF THE MOST SOPHISTICATED AND RIGOROUS TESTING PROCEDURES IN THE WORLD. AIR FRANCE MAINTENANCE: JUST ONE EXAMPLE OF THE HIGH LEVEL OF TECHNICAL COMPETENCE YOU FIND WHEN YOU FLY AIR FRANCE. AIR FRANCE // WERE AIMING EVEN HIGHER.

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## In Indonesia, Rumbblings of Discontent

By Keith B. Richburg  
*Washington Post Service*

**JAKARTA** — A taxi driver turning past a row of new deluxe skyscrapers here remembers a time when he made far less money, but each rupiah went further because prices were lower. The problem, he says, is Golkar *korupsi*, or corruption in the ruling political party.

An Education Ministry employee said she earns 120,000 rupiahs a month, about \$75 after last fall's currency devaluation. She teaches English classes at night. "You have to have another job just to survive," she said.

A former armed forces commander and hero of Indonesia's independence struggle, now an outspoken dissident, says rural development has brought new roads and high-cost projects, but that the average farmer is no better off now than 20 years ago. "People are saying it was better in the past," he said.

After 20 years of impressive economic growth and development spurred by the rapid rise in oil prices, Indonesia, the world's fifth most populous country and a major oil producer, is feeling the pinch. As a consequence, it is also hearing murmurs of political discontent.

In the campaigning for Thursday's National Assembly election, an "opposition" party, the Indonesian Democratic Party, has provided the only real surprise by drawing apparently spontaneous support from young people.

In a relatively stable country that has known brief outbursts of violence, such as the massacre of Communists in 1965 and anti-Japanese riots in 1974, many academics, diplomats, journalists and even ruling party officials are openly discussing the prospects for another such explosion.

"We are entering a very difficult time — the external shocks like the

decline in the price of oil, the slowdown in the economy, and also the appreciation of the yen in relation to the U.S. dollar," said Anwar Nasution, a leading economist here. "These economic difficulties sooner or later create social and political difficulties. But if you ask me when, I don't know."

Said one Western diplomat: "Something isn't right. Too much has been suppressed for too long."

The state of the economy was also said to have been discussed by disgruntled young officers who attended an armed forces seminar in Bandung, southeast of Jakarta, last August.

According to one political dissi-

dent who is said to have heard results of that meeting, some of the officers voiced concerns about monopoly practices and official corruption. The officers, the dissident said, wanted to see the pace of political democratization stepped up to check popular discontent during expected hard times ahead.

Such talk in Indonesia seems paradoxical, because it was on-

was the cause of our economic downfall," said Slamet Bratama, a former government official who is now a prominent dissident. "Now oil prices have gone down, and there is still no democracy."

Oil accounts for about two-thirds of the country's export earnings and 70 percent of the government's total revenue.

Indonesia is better off than many other oil-rich countries. Its other export commodities have improved, notably timber sales because of increased housing starts in the United States.

But the slump in oil prices has meant a reduction of some development projects, a sharp cutback in government spending, and new uncertainty over a foreign debt that consumes 35 percent of export earnings.

The fall in oil prices has also sparked a cry for a curtailment of state-controlled or state-supported monopolies, many of them held by close relatives of Mr. Suharto. The monopolies regulate imports of everything from steel to plastics to cotton.

The government responded to the mounting problems last September by devaluing the rupiah by 31 percent, according to foreign economic analysts. But besides handing urban residents an effective 31 percent pay cut, most economists agreed that the devaluation has had little effect in stemming the economic downturn.

**'These economic difficulties sooner or later create social and political difficulties. But if you ask me when, I don't know.'**

— Anwar Nasution, an economist

## Soviet Musician Awaits Permission to Emigrate

By Henry Kamm  
*New York Times Service*

**MOSCOW** — Vladimir O. Feltsman played his first recital here since 1978 to jubilant applause Tuesday. But the pianist hopes it was his Soviet farewell appearance. After his last Moscow concert, Mr. Feltsman, a winner of the Marguerite Long competition in Paris, applied to emigrate. His application was rejected.

His next scheduled concert here, in 1979, was canceled on two hours' notice. Since then he has been under a partial ban, allowed to give concerts in provincial towns, but not in Moscow and Leningrad, the two principal musical centers. His recordings have dropped from sight.

At a private recital, in the residence of the American ambassador last year, vandals damaged several strings of the piano shortly before Mr. Feltsman was to play.

But Tuesday night, Mr. Feltsman, who is 35, played in Tchaikovsky Hall, one of Moscow's principal auditoriums, and nothing marred his triumph. The applause after the first half of the all-Schumann program was long. Many had brought bouquets, and they rushed up the aisle to place them at his feet.

No one left the hall until he played a Debussy encore, and only after a second encore and many more bows did the public, including foreign residents, let him go.

Mr. Feltsman can only speculate about the telephone call two weeks ago from the manager of the concert hall, asking whether he was free to perform on April 21. But he said he suspected there was a connection with the scheduled arrival in the Soviet Union on April 13 of Secretary of State George P. Shultz.

Earlier, in an interview at the apartment Mr. Feltsman shares with his wife, Anna, a 4-year-old son and a baby grand piano, he said that the significance of the forthcoming recital was clear.

"I don't want to create any misunderstanding about its meaning," he said in English. "I was invited to play. Marvelous. I thought about it for two days before accepting. I see a start toward separating musical issues from emigration. If that is true, that is wonderful. But I will not change my mind. I want to leave."

Mr. Feltsman said he had said so to Mr. Shultz when they met at a recent Passover Seder at the U.S. ambassador's residence. "I never doubted that," he recalled the Secretary's smiling response.

"I would like to play this concert in honor of my foreign friends and colleagues who have supported me for these eight years," he said. "I hope it will be a kind of moral support for my fellow Jews, my fellow refugees, who have struggled for many years for the right of a free choice where they want to live."

seclusion since World War II swept him here from his native Rumania 46 years ago.

Mr. Berg's publisher, Universal Edition, and the Alban Berg Foundation in Vienna want Mr. Gershkovich to help prepare a new edition of Mr. Berg's works. Mr. Gershkovich worked on Universal's first such edition in the 1930s.

The foundation wrote that it also wanted Mr. Gershkovich to come to Vienna for six months of "extensive talks so that this source will remain available for posterity in reliable form."

Soviet authorities turned down Mr. Gershkovich's application, asserting that an invitation from an individual, not an institution, was required. Gottfried von Einem, the noted Austrian composer, submitted a formal invitation.

The appeal was repeated last November by Herbert Moritz, then Austria's minister of education, the arts and sport, in a letter to his

## Mexico Issues Ban On Sale of Blood

By Henry Kamm  
*New York Times Service*

**MEXICO CITY** — The Mexican government has announced that it will prohibit all commercial dealings in blood and blood by-products, saying the rapid spread of AIDS among the Mexican population has made the measure "urgent and imperative."

The secretary of health and welfare, Guillermo Soberón, said Tuesday that the number of AIDS cases in Mexico "is few in relation to other countries."

However, he said that "the character of the disease obliges us to take measures of a preventive nature."

There were 407 "clinically proven" cases of acquired immune deficiency syndrome reported in Mexico as of April 1.

The measure will affect 110 private blood banks. The selling of blood has been a source of income for some poor Mexicans.

## Composer Is Offered an Exit Visa

By Henry Kamm  
*New York Times Service*

**MOSCOW** — The last surviving pupil of Alban Berg — and perhaps also the last of Anton von Webern — has long been prevented by the Soviet Union from visiting Vienna to pass on his firsthand knowledge of the two masters of 20th-century music, according to the pupil, who is a composer, and to Austrian diplomats.

But in an interview this week in his apartment on the northern edge of Moscow, the musician, Filipp M. Gershkovich, said that for the first time in eight years, he and his wife, Leon, have been summoned to pick up application forms for an exit permit.

"It means you have permission to ask for permission," Mr. Gershkovich said. But he and his wife, an Estonian, said the years of futile efforts had left them pessimistic and fatigued.

Mr. Gershkovich, who is 80, has applied to emigrate several times since 1979. He has lived in virtual

seclusion since World War II swept him here from his native Rumania 46 years ago.

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The appeal was repeated last November by Herbert Moritz, then Austria's minister of education, the arts and sport, in a letter to his

Soviet counterpart, Vasilii G. Zakharov. It was raised more recently by the Austrian delegation to the follow-up Conference on Security and Cooperation in Europe.

Mr. Gershkovich arrived in Vienna from his native town of Iasi, Rumania, in 1927. He had graduated from a conservatory at the age of 20. He studied composition with Mr. Berg until 1930, went to work for Universal and studied with Mr. Webern from 1934 until three days after World War II broke out in 1939.

"When I went to say goodbye to Webern on my last day, he was in his garden," Mr. Gershkovich reminisced. "Let's go upstairs, I must give you another lesson," he said. And he did."

The musician recalled seeing Mr. Berg on the last day of his life, in 1935. "They had given him a blood transfusion, and he joked, 'My God, maybe they have turned me into an opera composer,'" Mr. Gershkovich said.



Vladimir O. Feltsman at his Moscow apartment.

<b>INTERNATIONAL CLASSIFIED</b> (Continued from Back Page)			
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# 'Ox Walk' Filibuster Stirs Japan Chamber

**By John Burgess**  
*Washington Post Service*

**TOKYO** — Normally the most dull and predictable of institutions, the Japanese parliament on Tuesday night erupted in shoves and body-blocks as the opposition gave its all trying to stop adoption of a national sales tax.

Early Wednesday morning, a narrow vote gave way to paralysis. A "yo-ko" or "ox walk" was under way, a long-used delaying tactic in which opposition lawmakers somehow took 20 minutes each to cross about 30 feet (9 meters) of carpet and steps to the ballot box.

The show was so unusual that national television broke into regular programming to broadcast parts of it. Finally, something exciting was happening at the Diet, as parliament is known.

The Japanese crave harmony in most parts of their lives, including politics. Since coming to office in 1982, Prime Minister Yasuhiro Nakasone has managed to preserve it while leading the nation through such contentious issues as higher military spending, a bitter trade dispute with the United States and a split-up of the huge national railway system.

But a plan he announced last year to tack a 5 percent tax onto many commercial transactions has brought harmony to the breaking point and, many people here believe, put a limit on how long Mr. Nakasone can hang on in office.

Business in the Diet is normally a study in the Japanese penchant for arranging things behind the scenes before they are brought up for formal action.

The mechanics of democracy are there. The Diet has procedures for reconciling differing versions of a bill passed by the upper and lower houses. However, the last time

there was such a difference was in the 1950s.

The fates of bills are normally decided before they reach the Diet. That takes place at the nearby headquarters of the Liberal Democratic Party, which has been in power for all 32 years of its existence. The party runs a system of committees and hearings in parallel to the Diet's.

This is not to say that opposition voices count for nothing. For the governing party to act alone would be to risk a political crisis and public censure for arrogance and abuse of democracy. People want harmony.

Since the new year, the opposition parties have been betting everything on stopping the sales tax. Mr. Nakasone says the nation needs it for financial modernization, but he has increasingly few supporters, even in his own party.

Their efforts began with boycotts of Diet business in January. Though the governing party always had the votes to proceed with the business alone, it was wary of charges of "arrogance" if it ignored the opposition. It became even more reluctant when its own constituents, one by one, began lining up against the tax.

So it waited and negotiated. The deadline for adopting the new national budget for the year beginning April 1, a prerequisite for enacting the tax, came and went. So a 50-day budget was enacted.

Last week, Mr. Nakasone and other party leaders forced the budget through the budget committee with a vote by a show of hands.

Tuesday night, with negotiations for a compromise exhausted, the Liberal Democrats began action on the budget on the floor of the lower house. The opposition was lying in wait. It had shipped in boxes of bananas for its members to gain



Yasuhiro Nakasone

energy through the all-night session that seemed certain.

The Liberal Democrats put forward a resolution to limit debate. Liberal Democratic members quickly voted in favor. The opposition struck back with an "ox walk," its first since May 1977.

Suddenly the speaker suspended the vote. Opposition lawmakers rushed forward, forming a noisy human chain around the podium. Officials were unable to recover the ballots. The vote was thrown out and, at 1 A.M. Wednesday, the process started all over.

Yoshiaki Kuroki of the centrist Clean Government Party led the "ox walk" this time.

He tried to maintain a dignified nonchalance through it all, ignoring the many catcalls from Liberal Democratic members: "No smiling!" "You can go slower!"

When he finally handed in his green tag signifying a "no" vote to an official, applause broke out.

Mr. Nakasone was seated in the rear of the ornate paneled chamber. He was not watching, however. He was dozing. At the rate the opposition was going, it would take about six hours to complete its voting.

# In Albania, an Uncomplicated Life Under State's Lid

*Lee Stokes, the Athens bureau chief of United Press International, recently spent six days in Albania. He is one of the few Western journalists to go there since the death of Enver Hoxha in April 1985.*

**By Lee Stokes**  
*United Press International*

**TIRANA, Albania** — There are about 200,000 people living in Tirana, but the morning rush hour in the Albanian capital is usually a commuter's delight.

Pedestrians walk briskly along wide tree-lined boulevards, swept clean every day by squads of women wearing white scarves and baggy pants, as a comfortable clutter of Albanian-made bicycles, aging Chinese motor scooters and an occasional creaking Hungarian bus passes by.

There are no privately owned cars, so traffic is limited to a handful of old Volvos and Mercedes limousines or Eastern European sedans used by top government officials and foreign guests.

After four decades of isolation from the rest of the world, Albania's 2.9 million people live an uncomplicated but closely regulated life. That is unlikely to change soon, even as the country's Stalinist leaders slowly move to open the doors to the outside.

No one gets rich in Albania, even though no one pays taxes. United Nations statistics list Albania as having the lowest annual per capita income in Europe — \$850.

The top end of the government-created monthly pay scale is 1,200 lek (\$133), a salary earned by senior party officials, factory managers, professors or judges. At the other end is 600 lek, taken home by unskilled farm laborers.

Shortages and the lack of variety are part of the legacy of Enver Hoxha, the revolutionary who seized power in 1945 and closed Albania's borders.

The Communist Party chief, Ramiz Alia, who succeeded Hoxha, is slowly opening Albania to the outside, but the shortages are expected to continue for some time.

One morning, a long line of soldiers, children and housewives carrying babies formed outside a central store to buy small packets of laundry detergent. Other items in demand, especially from foreign visitors, include chewing gum, candy, pens, plastic lighters, disposable razors, shoe polish and medicines.

Iriti, a 29-year-old Tirana factory worker, wakes up at 4 A.M. every day to stand in line outside a dairy to buy a single bottle of milk that is shared with her two children and her elderly mother.

"If I go later, there may not be any left," explained Iriti, who works a six-day week.

"Albanian women today have the same opportunities as men, al-



The main square of central Tirana at noon is almost bereft of traffic. Private ownership of automobiles is banned.

though they tend to do lighter work — for example, they don't work in the mines," said a female government official. "But all women work and have their own salaries."

That equality extends to military service. All men, women and children receive military training. After their military service, women have to attend annual weapons training courses until age 35. Men remain in the reserves until age 50.

Soldiers clad in green coats and wool hats emblazoned with red stars are seen everywhere in Albania, which spends one-fifth of its resources on defense. The country has an army of 50,000 troops.

The internal security forces, particularly the secret police agency Sigurimi, have been largely responsible for maintaining Albania's isolation.

The security forces also help enforce a strict moral code. Prenatal sex is taboo, long fingernails are frowned upon and an Albanian found guilty of adultery can be sent to a labor camp.

"The Communists replaced the old-fashioned sexual ethics of Islam and the Orthodox and Roman Catholic churches with their own morality," said a Western diplomat who has been living in Albania for seven years. "Girls and boys can go out together, but other than an evening at the Tirana opera house or attending a concert of classical music, there is little else to do."

But there are films and plays to see. Foreign films, including a very few American movies with an anti-war tone and Soviet movies with historical themes or about fairy tales, are sometimes shown.

Because the state encourages births, it also provides excellent facilities for pregnant women and working mothers.

Tirana residents generally live in inexpensive state-owned apartments without central heating or electric ovens. Senior party members enjoy better accommodations and other perquisites of power, including access to goods not usually available in stores.

There are no advertisements and no love scenes on Albanian-produced channels. The evening news program generally features the achievements of agriculture and factory workers, the opening of schools and hospitals, the paving of roads — but little news about the

television and videotape recorder. Black-and-white television sets, refrigerators and other appliances are available to average Albanians, too, but at a cost of a year's pay and only through a government-controlled distribution system. Unlike other Communist countries, there

Ordinary Albanians prefer to eat at home. When they dine out, they frequent cafes, usually filled with customers eating potato cakes, spinach pies and schnitzel and quaffing beer, cognac or wine.

Vegetables are available daily, but the variety depends on what arrived from the countryside on that day. Fishmongers, butchers and poultry stores stay closed until a shipment is brought in.

Compounding the problem is a government ban on Albanians receiving packages or money from abroad.

Life is a little harder outside the capital.

At worker apartments in the coastal city of Saranda, shabbily dressed residents stared from the windows of drab brick buildings. One woman eeked wood outdoors for her stove, and another did her laundry at an outside tap in the midst of a torrential downpour. Children waited in line to fill plastic containers with water.

Many rural Albanians travel the narrow asphalt or dirt roads in horse-drawn carts or on donkeys and mules that compete with old Chinese or Soviet trucks trailing black clouds of exhaust fumes.

government, or accidents and other disasters. Foreign news is always reported with a government-approved interpretation or analysis.

— A Western diplomat

## 'The Communists replaced the old-fashioned sexual ethics of Islam and the Orthodox and Roman Catholic churches with their own morality.'

# Edith Green, Ex-U.S. Legislator, Dies

**TUALATIN, Oregon** — Former Representative Edith S. Green, 77, Democrat of Oregon, a school-teacher whose Capitol Hill career spanned 20 years of championing education and equal rights, has died.

Mrs. Green died Tuesday of pancreatic cancer. She was elected to Congress from Oregon's 3d District in 1954 and spent 10 terms in the House of Representatives before retiring in 1975.

In 1955, as a member of the House Committee on Education

and Labor, she introduced the first bill to require that men and women receive the same wages for the same tasks. The notion became law eight years later.

**Hugh Brannum, 77, Mr. Green Jeans**

**NEW YORK (AP)** — Hugh Brannum, 77, for three decades the affable farmer Mr. Green Jeans who wore green overalls, a plaid shirt and a straw hat in his visits to "Captain Kangaroo" on U.S. television, has died.

Mr. Brannum died Sunday of

cancer in East Stroudsburg, Pennsylvania, said Bob Keeshan, who played the portly captain on the popular children's show that went off the air two years ago.

**Reagan, Pope Plan U.S. Talks**

**WASHINGTON** — President Ronald Reagan is likely to meet with Pope John Paul II when the pontiff visits the United States in September, a White House spokesman said Wednesday. Ben Jarrett said no meeting place had yet been picked for the talks.

The "Cité des Sciences et de l'Industrie" is the most recent attraction of the 55 hectare La Villette multicultural complex on the outskirts of Paris. Conceived for the general public, this 21st century science centre will contribute to a better understanding of modern science and technology.

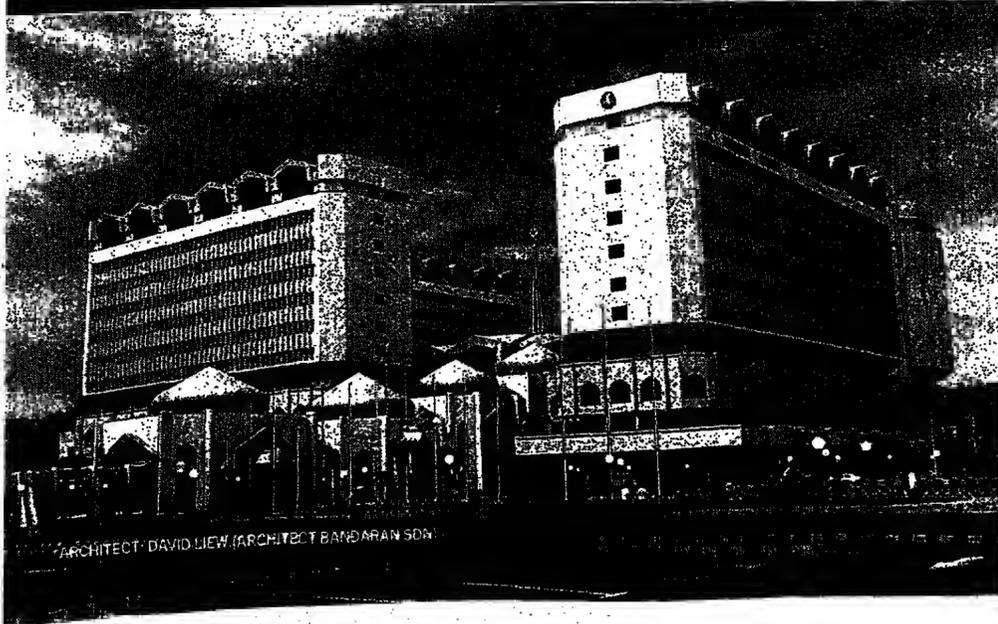
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SCIENCE

What's Down Under Ancient Antarctica

By Walter Sullivan
THANKS to a companion ship that lassoed giant icebergs and towed them out of the way, a research vessel has drilled through the sea floor off Antarctica and extracted detailed samples recording the continent's complex, even verdant, past.

The samples are the most recent results of the Ocean Drilling Project, an international effort to extract clues to the Earth's history from the ocean floor. Since the project was revived in 1985, scientists have drilled at many sites in the Atlantic as well as some in the Mediterranean and west of South America.

Perhaps the most interesting and unexpected recent discoveries came from the drilling near Antarctica. The new evidence shows astounding differences in the climate histories of East and West Antarctica. It confirms theories that the continent once enjoyed temperate weather. And it contradicts the belief that West Antarctica occasionally sheds its ice and rapidly raises global sea levels. Sediments under the nearby Weddell Sea show evidence of any such ice loss over the past 4.8 million years, the scientists found.

This finding is good news for people who fear that such a sudden discharge of ice will follow warming of the climate, according to Dr. James P. Kennett of the University of Rhode Island, who led the project with Dr. Peter Barker of the University of Birmingham in Britain. Such warming, the "greenhouse effect," is predicted from increased carbon dioxide and other industrial gases in the atmosphere.

The new evidence indicates that, even though the climate was sometimes almost subtropical, the West Antarctic ice has remained intact for nearly 5 million years. There is strong evidence that global sea levels rose as much as 30 feet in such times, but Dr. Kennett said it now appeared that this was due to gradual melting of ice near both poles, rather than a sudden melting from West Antarctica. West Antarctica is an ice-covered archipelago about the size of the Philippines. It is separated from East Antarctica by one of the Earth's great mountain systems, which spans the continent.

The scientists operated from the drill ship Joides Resolution in the Weddell Sea for two months ending in March. Cores containing cross sections of sea floor sediment accumulated over 50 million years or more were extracted by drilling into the bottom, sometimes beneath 3 miles of water.

A variety of clues to Antarctica's history emerged. Spores and pollen grains showed that, until about 39 million years ago, the continent was lush with beech trees and with ferns that, like those of New England, require frost-free periods. Microscopic fossils of freshwater diatoms, algae and silica shells, were found off Kapp Norvegia in Queen Maud Land and off the Antarctic Peninsula reaching toward South America. The diatoms were apparently washed from lakes on the peninsula as recently as 20 million years ago.

Dr. Kennett said the scientists found in the sample cores that clays typical of those produced by ordinary weathering gave way with surprising abruptness to the type produced by the grinding action of ice. The main West Antarctic ice sheet began forming about 8 million years ago. There apparently were periods when the ice melted, feeding rivers that deposited sand and gravel on the continental shelf. Periodically these accumulations cascaded down the sea floor slope, depositing layers of sand and gravel. Above the depth formed 4.8 million years ago these deposits vanished. This is believed to be when the ice cover of West Antarctica became permanent. The remaining upper layers are strikingly uniform.

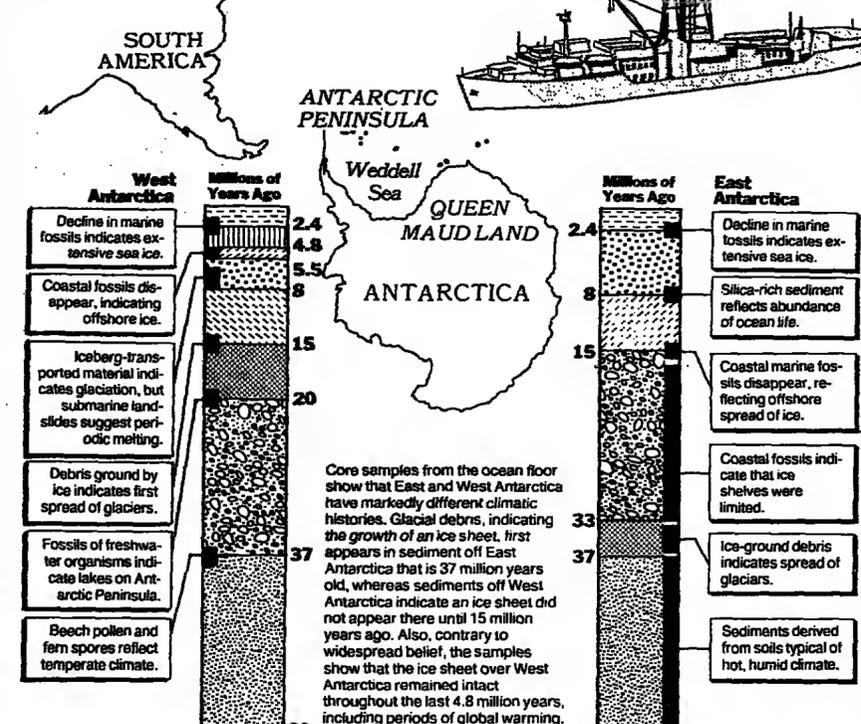
Dr. Kennett said previous drilling into the floor of the Bellingshausen Sea, on the other side of the Antarctic Peninsula, produced a similar record of prolonged ice sheet stability.

Cores obtained off Queen Maud Land in East Antarctica tell a different story, he said. They show that an ice cover began to form there far earlier, about 37 million years ago. But until about 15 million years ago the ice sheet was incomplete. The discovery of abundant diatoms that could live only in sunny coastal waters indicated that before that time the ice sheet did not extend over the ocean in the form of ice shelves, as it does today.

Today an upwelling of bottom waters rich in nutrients makes the oceans near Antarctica among the most biologically productive in the world; whales and sea birds migrate there to fatten. This upwell-

ing apparently began about 8 million years ago, when the sediment shows a gradual increase of silica derived from the shells of marine organisms.

Because of the iceberg-towing feats of the research ship's companion, the Maersk Master, the Joides Resolution survived the treacherous Weddell Sea, which has crushed or trapped such ships as Ernest Shackleton's Endurance and Otto Nordenskjöld's Antarctic. When radar showed an advancing iceberg the Maersk Master went to work, said David Huey, the expedition's engineering specialist. The ship would sail around the iceberg and pay out a tow line. Once the berg had been completely encircled, the lassoed berg would be towed away, Kennett said one of the icebergs weighed "tens of mil-



Core samples from the ocean floor show that East and West Antarctica have markedly different climatic histories. Glacial debris, indicating the growth of an ice sheet, first appears in sediment off East Antarctica that is 37 million years old, whereas sediments off West Antarctica indicate an ice sheet did not appear there until 15 million years ago. Also, contrary to widespread belief, the samples show that the ice sheet over West Antarctica remained intact throughout the last 4.8 million years, including periods of global warming.

Waning Anxiety

By Daniel Goleman
New York Times Service

NEW YORK — Researchers examining new data on the brain believe they have discovered one physiological basis for the diminished anxiety that has often been documented among people in their 40s and 50s: the loss of cells in a brain center that modulates anxiety.

At the same time, other research is yielding new insights into the less worrisome side of middle age — a dangerous susceptibility to depression. Experts increasingly see midlife as a sort of second adolescence, with emotional changes as crucial for full psychological growth as those of the teen years — and potentially as turbulent. A panoply of findings, from fields as diverse as neurology and psychoanalysis, suggests that the years between early and late adulthood, roughly 40 to 60, bring a transition that can leave one at new heights of maturity, more sure of oneself than ever. And yet paradoxically, the middle-aged are at greater risk of developing depression than any other age group.

To be sure, the small physical losses, like the slowing of reflexes, and the large emotional ones, like the death of a parent, bring about an inevitable sense that one is drawing closer to the end rather than still starting out.

Some of the most striking new findings are from studies of how the brain changes throughout the lifespan. At one time the prevailing view was that the brain grows through childhood, takes its final shape during adolescence, and then slowly ages. New work shows, however, that each area of the brain develops in unique ways throughout life. While some parts of the brain deteriorate, most brain cells continue to form new connections — a finding cited by some psychoanalysts to refute Freud's contention that, after age 50, people's minds are too rigid for them to benefit much from psychoanalysis. In fact, they say, people in midlife may be more able than they were earlier to benefit from psychotherapy.

The neurological changes that seem to bring about mellowing in middle age are seen in the locus coeruleus, a small area in the brainstem that is a key brain center for anxiety and fear. Recent autopsy studies have shown that in people between the ages of 40 and 60, the locus coeruleus undergoes a sharp deterioration. Its cells accumulate a sort of neural garbage and lose their ability to work efficiently. Finally, they die.

According to Dr. Steven Roose, a psychiatrist at New York State Psychiatric Institute, these changes often bring a greater self-assurance and the softening of emotions like anger and worry. Roose presented his views at a conference last month in New York, sponsored by the Association for Psychoanalytic Medicine and the Columbia University Center for Psychoanalytic Training and Research.

"In people between the ages of 40 and 60 the locus coeruleus undergoes tremendous deterioration," Dr. Roose said in an interview. "A brain structure as significant as the locus coeruleus is bound to have an effect on personality."

The locus coeruleus is tiny; it has just 20,000 or so cells whereas most brain structures have millions of cells. But from its site in the base of the brain the locus coeruleus has an unusually extensive network of connections to other parts of the brain, which give it a major role in much of mental life.

The locus coeruleus seems to act as a neural alarm system. Studies in animals show that intense fear occurs when the locus coeruleus is highly active; in humans such activity accompanies a panic attack. Moderate activity in the locus coeruleus evokes a vigilant attentiveness, while too little activity brings a careless recklessness.

Autopsy studies by Dr. Lucien Cote, a neurologist at Columbia College of Physicians and Surgeons, has shown that the enzyme that produces norepinephrine, a neurotransmitter, is sharply reduced from 40 to 60. Norepinephrine, one of dozens of chemical messengers in the brain, is heavily concentrated in the locus coeruleus; about 70 percent of the cells that have receptors for it are situated there.

Likewise, Dr. Cote found that monoamine oxidase, the enzyme that metabolizes norepinephrine, shows a significant increase in activity in people between 40 and 60. As a result there is less norepinephrine available in the brain overall, since less of it is produced and what little is available is used up more quickly.

Moreover, research by Dr. Doyle Graham, a neuroscientist at Duke University Medical Center, shows there is an increased build-up in the cells of the locus coeruleus in neurofibrils, a substance thought to be an inert waste product of norepinephrine. As this substance accumulates in the cells, it interferes with their ability to function and they eventually die. "As these cells die, diseases that are pathologies of this brain system seem to burn out," Dr. Roose said. In addition to anxiety and panic attacks, the locus coeruleus is thought to be involved in mental problems such as drug addiction and, possibly, bulimia, all of which are most likely to begin early in life and wane in midlife.

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IN BRIEF

Studying Supernova
NEW YORK (NYT) — Lucky timing and an unscheduled spacewalk by two Russian astronauts have put the Soviet Union in position to make dramatic observations of the exploding star over the Southern Hemisphere, Western scientists say.

Plankton Thermostat
NEW YORK (NYT) — A sulfurous gas emitted by tiny ocean plankton plays an important role in cooling the Earth's atmosphere, helping to regulate the climate in a process of global feedback, said American and British scientists.

Tendrils Feelings
NEW YORK (NYT) — Even fungi have feelings. Or, at least, a sense of touch, according to researchers at Cornell University. They discovered this when trying to figure out how the one-celled spore of a plant-infecting fungus manages to invade its host when it has no control over where the wind drops it on the well-armored surface of a leaf.

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Vol.	High	Low	Last	Ch.
3,982	11 1/2	11 1/4	11 1/4	+1/8
3,817	11 1/2	11 1/4	11 1/4	+1/8
3,717	11 1/2	11 1/4	11 1/4	+1/8
3,617	11 1/2	11 1/4	11 1/4	+1/8
3,517	11 1/2	11 1/4	11 1/4	+1/8
3,417	11 1/2	11 1/4	11 1/4	+1/8
3,317	11 1/2	11 1/4	11 1/4	+1/8
3,217	11 1/2	11 1/4	11 1/4	+1/8
3,117	11 1/2	11 1/4	11 1/4	+1/8
3,017	11 1/2	11 1/4	11 1/4	+1/8

NYSE 2 p.m. volume	164,100,000
NYSE adv. com. close	234,800,000
NYSE adv. com. close	13,500,000
NYSE adv. com. close	13,500,000
Prev. OTC 4 p.m. volume	130,600,000

Previous	High	Low	Close	Today's P.M.
Composite	162.50	161.75	162.50	164.39
Industrials	159.24	158.49	159.24	160.34
Transport	159.24	158.49	159.24	160.34
Utilities	162.50	161.75	162.50	164.39
Finance	162.50	161.75	162.50	164.39

**Wednesday's NYSE Closing**  
Via The Associated Press

Advanced	Unchanged	Declined
27	37	37
27	37	37
27	37	37
27	37	37
27	37	37

Prev.	Today	Week	Year
1,117.17	1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17	1,117.17

Vol.	High	Low	Last	Ch.
17	1 1/2	1 1/4	1 1/4	+1/8
17	1 1/2	1 1/4	1 1/4	+1/8
17	1 1/2	1 1/4	1 1/4	+1/8
17	1 1/2	1 1/4	1 1/4	+1/8
17	1 1/2	1 1/4	1 1/4	+1/8

Prev.	Today
90.34	91.17
91.17	91.17
91.17	91.17
91.17	91.17
91.17	91.17

Advanced	Unchanged	Declined
362	571	571
362	571	571
362	571	571
362	571	571
362	571	571

Buy	Sales	Net
2,440	2,440	0
2,440	2,440	0
2,440	2,440	0
2,440	2,440	0
2,440	2,440	0

Open	High	Low	Last	Ch.
2,281.4	2,281.4	2,281.4	2,281.4	0
2,281.4	2,281.4	2,281.4	2,281.4	0
2,281.4	2,281.4	2,281.4	2,281.4	0
2,281.4	2,281.4	2,281.4	2,281.4	0
2,281.4	2,281.4	2,281.4	2,281.4	0

High	Low	Close	Today
343.13	343.13	343.13	343.13
343.13	343.13	343.13	343.13
343.13	343.13	343.13	343.13
343.13	343.13	343.13	343.13
343.13	343.13	343.13	343.13

Advanced	Unchanged	Declined
1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17
1,117.17	1,117.17	1,117.17

High	Low	Close	Today
329.87	329.87	329.87	329.87
329.87	329.87	329.87	329.87
329.87	329.87	329.87	329.87
329.87	329.87	329.87	329.87
329.87	329.87	329.87	329.87

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

# Dow Lower in Active Trading

**United Press International**  
NEW YORK — Prices on the New York Stock Exchange were lower late Wednesday in active trading, but profit-taking following a buying frenzy that sent prices soaring in the last hours of the previous session.

The Dow Jones industrial average, which soared 66.47 points on Tuesday, was down 13.35 to 2323.72 at 3 P.M. EDT.

Declines were leading advances 3-2 among

Philip Roth, a market analyst with E.F. Hutton & Co., said investors moved to the sidelines, "catching their breath" after yesterday's sharp afternoon surge.

"If there's any linchpin to define stock market activity today it would be the action of the dollar," said Monte Gordon, research director at Dreyfus Corp.

Gordon said the dollar is key because of its fundamental impact on inflation, interest rates and even the pace of the U.S. economic recovery. He said the stock market fears that industrialized governments may be unable to fulfill pledges to support the dollar.

"The market senses a possibility that the dollar will test its lows again," Gordon said. "If the dollar looks like it's stabilizing, the market will probably try to rally again."

Although most U.S. stock market tables in this edition are from the 4 P.M. close in New York, for time reasons, this article is based on the market at 3 P.M.

The NYSE issues traded. The New York Stock Exchange index was off 1.11 to 164.39, and the price of an average share was off 28 cents.

Volume at 3 P.M. was 156.6 million shares, up from 147.2 million in the same period Tuesday.

The dollar was stable against major foreign currencies Wednesday.

The stock market is "likely to be volatile because of yesterday's run-up," Roth said. "It's been that kind of an environment and it's likely to continue."

Roth said Wednesday morning's report that U.S. durable goods rose an unexpectedly large 3.4 percent in March was "a slight plus" for stocks.

On the Big Board, Texaco was the most active NYSE-listed issue, falling.

It was followed by Supermarkets General, which jumped 4 1/2 to 45 1/2. Supermarkets General said its management and Merrill Lynch Capital Partners agreed to commence a \$46.75-a-share tender offer for 85 percent of the company's stock.

Prices were lower in active trading of American Stock Exchange issues.

The Dow average dropped more than 10 points in the first few minutes of trading, but was up more than eight points an hour later. It then hovered within a few points of breaking even before beginning to slide in the afternoon.

Ernie Rudnet, manager of block trading at Mabon Nugent & Co., said various trading programs related to stock-index futures and options were responsible for the market's swings throughout the morning.

Rudnet said continued program trading likely would lead to further gyrations.

On the Big Board, Texaco was the most active NYSE-listed issue, falling.

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12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Ch.
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Ch.
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Ch.
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31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Ch.
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31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8

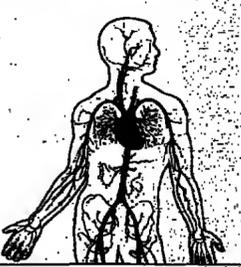
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31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8

12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Ch.
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31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8
31 1/2	11 1/2	11 1/4	AAI	1.00	4.00	15.00	11	11 1/4	11 1/4	11 1/4	+1/8

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THURSDAY, APRIL 23, 1987

WALL STREET WATCH

Market's Gyration Making The Bulls Tread Cautiously

By VARTAN G. VARTAN

NEW YORK — Wild gyrations in currency and security markets in recent weeks have led some brokerage houses to take a more cautious stance in their investment advice.

Tuesday's session, which exploded upward late in the day, took its cue from a technical rally in sorely depressed bond prices.

But in the past month, with worries over a falling dollar sweeping Wall Street, the Dow also has recorded some of its worst point losses, including its third-largest drop of 57.39 on March 30.

Experts agree that such volatility in equity prices is likely to continue. The swings are large partly because the Dow itself has climbed so high.

Also, program trading and other hedging devices used by professionals have the effect of emphasizing a big move in either direction. And the recent instability in the dollar, which raised fears of higher interest rates, also has provoked large price changes.

"Wide swings in stock prices are definitely unsettling to investors," Jeffrey M. Applegate, investment strategist for E.F. Hutton & Co., said Tuesday.

It was Hutton that made the most dramatic change in its advice recently, based primarily on the effect of the dollar's weakness, in its asset allocation recommendation for investors. On April 14, the company switched from a fully invested position of 75 percent equities and 25 percent bonds and recommended that its investors move 35 percent of their portfolios into cash while keeping only 50 percent in stocks and 15 percent in bonds.

At that time, Mr. Applegate and Robert J. Barbera, Hutton's chief economist, warned: "For the first time in four years, we cannot rule out a global recession."

On April 6, the Dow had closed at a record high of 2,405.54. Just one week later, the Dow plummeted 51.71 points, its fourth-biggest drop on record, to land at 2,287.07. Then, before the market opened on April 14, Hutton announced its new asset allocation, thereby touching off a mild avalanche of selling by its 7,000 account executives.

"We are sticking by our same asset allocation," Mr. Applegate said Tuesday.

Shearson Lehman also trimmed its equity exposure to 60 percent from 65 percent, while keeping the bond allocation unchanged at 20 percent. Mr. Sherman believes that the market will recover and, in time, reach a new high. But, he said, "the process is likely to be choppy than seemed evident a few weeks ago."

Shearson Lehman finds attraction in such basic industries as metals, papers and forest products, along with electronics and business equipment. "In the latter category, we like such stocks as International Business Machines, Digital Equipment, Compaq Computer, Intel and Motorola," Mr. Sherman said. "We also like the airlines — all of them — and we think the market has become overly concerned about fare cutting."

In Tuesday's late buying spree, technology issues were in demand. IBM jumped \$7, to \$157. Digital Equipment rose \$8.375, to \$167.875.

On Wall Street, technology has emerged as a favored group in 1987, in contrast to its poor performance during most of the last two years. By the same token, banks, utilities and consumer stocks, which thrived for long periods as interest rates were dropping, have fallen from favor.

Since July, Kidder, Peabody & Co. has recommended 45 percent in equities and 55 percent in various fixed-income investments. "Safety is the order of the day," said William J. Gillard, director of the investment policy group.

"Safety is the order of the day," says Kidder, Peabody's investment director

U.S. Fails To Budge On Tariffs

But Japan Sees 'Line' to Solution

By John Burgess

TOKYO — Senior U.S. and Japanese negotiators reported on significant progress Wednesday in talks held here this week toward resolving a confrontation over trade in semiconductors.

The U.S. trade representative, Clayton K. Yeutter, and the Japanese minister of international trade and industry, Hajime Tamura, met for an hour and 40 minutes Wednesday. Statements by the two men afterward indicated that neither had budged from previous positions.

But Mr. Tamura told reporters that the two sides had agreed to continue talking in Washington next week or the week after and suggested this was cause for optimism.

"We have built a rail line" toward a solution, he said.

At a news conference, Mr. Yeutter declined to entertain questions on semiconductors. But in a prepared statement, he reiterated the U.S. contention that Japan has failed to honor an agreement on semiconductor trade that it signed with the United States last summer.

President Ronald Reagan imposed special punitive sanctions last week on \$300 million of Japanese imports into the United States in an effort to push Japan into taking new action to enforce the agreement.

Mr. Yeutter said Wednesday, "We will eliminate the sanctions as soon as we have firm and continuing evidence that the dumping in third-country markets has stopped and that access to the Japanese market has improved."

"Our hope is that the government of Japan will as soon as possible take the necessary steps to see that these conditions are met."

U.S. Cites Doubts

The White House spokesman, Martin Fitzwater, said he believed that Japanese proposals for winning a reversal of the U.S.-imposed trade sanctions seem to be a "move in the right direction." The Associated Press reported from Washington.

But Mr. Fitzwater also said that "it remains to be seen" whether the trade policy changes that the Japanese are eyeing would be sufficient to achieve the reversal of the sanctions or to stave off protectionist legislation in Congress.

The White House spokesman discussed the situation with Japan. See TRADE, Page 17

At Navistar, a Shift Out of Reverse Truck Maker Regains Profitability, Thirst for Growth

By Mark Potts

CHICAGO — Cyrus McCormick wouldn't recognize the company he spawned by inventing the reaper back in 1831.

That company, International Harvester Co., doesn't make reapers or any other kind of farm equipment anymore. Trucks and diesel engines are its business now. And it no longer bears the name International Harvester: with help from a corporate-image consulting outfit, the company has been rechristened Navistar International Corp.

There's one other piece of history the company has shaken off, something from its more recent past. After losing more than \$3 billion over six years, the company has inched back into the black, turning a \$2 million profit in fiscal 1986.

Having exorcised the demons of the past, Navistar's leaders are allowing themselves to look toward the future. Backed by a financial restructuring recently approved by shareholders, the company is looking for an acquisition that will allow it to diversify and expand after years of contraction.

Donald D. Lennox, the outgoing chairman, told shareholders at the company's annual meeting last month. "We now have shifted from a focus on survival to a focus on profitable growth for the remainder of the 1980s and beyond."

Mr. Lennox, who retired two weeks ago, is credited with saving the company from bankruptcy by making tough decisions to close plants, sell the farm-equipment division and restructure its finances. "In eight years I have seen" the company "at its worst,

NAVISTAR

'Our focus is on areas closer to the kind that could benefit from our kind of culture and management know-how.'

— James C. Cotting, Navistar's chairman



International

tottering on the edge of bankruptcy," he told shareholders. "I wouldn't want to go through it again."

Navistar's new chairman is another veteran of the company's hard times, James C. Cotting. Mr. Cotting, 53, formerly vice chairman and chief financial officer, handled the difficult negotiations with lenders during the company's darkest times, in 1982 and 1983, and was architect of the restructuring that has given the company a future.

Under the restructuring plan, Navistar raised more than \$500 million worth of long-term debt by issuing 126.5 million new shares of stock. The action in December reduced the company's annual interest costs by \$86 million — enough by itself to return the company to profitability — and in one stroke sliced its debt-to-equity ratio from a staggering 88 percent to a more normal 30 percent.

"This really gives the company a new vitality," Mr. Cotting said in an interview. "The recapitalization significantly improved our capital structure, eliminating all the high-interest-rate debt that we had and hauling up our

Metalworkers Reach Contract In W. Germany

Ferdinand Protzman International Herald Tribune

FRANKFURT — West German metalworkers and their employers have averted a potentially disastrous strike by reaching an unexpected compromise Wednesday that gradually reduces the workweek to 37 hours and includes a package of wage increases.

The accord between IG Metall, with 2.5 million members the largest trade union in Western Europe, and the employers' association, Gesamtmetall, ended months of often acrimonious negotiations on the union's demand for a 35-hour week.

Disagreement on that issue touched off a bitter metalworkers strike in 1984 that brought the auto industry to a standstill and limited West Germany's economic growth.

The agreement calls for the workweek to be reduced to 37.5 hours, from the current 38.5 hours, effective April 1, 1988, with a reduction to 37 hours starting April 1, 1989. The 37-hour week will be in effect for a year before new contract negotiations are to begin.

The metalworkers will get a pay raise of 3.7 percent, retroactive to April 1. Another 2 percent raise will go into effect next April 1, to be followed by a 2.5-percent increase April 1, 1989. The union had sought an immediate raise of 5 percent.

The pact requires the approval of the managing boards of both IG Metall and Gesamtmetall. Union executives were meeting Wednesday, with approval widely expected.

The key issue in the talks was labor's demand for a 35-hour week. That demand led to a seven-week

strike early in the summer of 1984 against selected car makers and automotive parts producers that virtually shut down the auto industry. The strike ended when an independent arbitrator proposed a compromise of a 38.5-hour week.

Over the past few months, IG Metall had punctuated its demands with a series of brief warning strikes against selected industrial targets throughout West Germany.

The threat of a widespread strike had loomed larger in recent weeks as regional talks broke down between metalworkers and employers in the state of Baden-Württemberg, the heart of the nation's auto industry.

Daimler-Benz AG and Porsche AG, and the auto parts producer Robert Bosch GmbH, are based in or near Stuttgart, the state capital.

Negotiations then shifted to a national level, with the IG Metall chairman, Franz Steinkühler, meeting with the president of Gesamtmetall, Werner Stumpf.

But most observers believed the sides remained deeply divided, particularly on the shorter workweek, and union representatives hinted that a strike was in the offing. The employers' association had offered only a half-hour cut, to 38 hours.

West Germany's trade unions believe shortening the workweek to 35 hours will significantly reduce the nation's stubborn unemployment, now about 2.4 million, or about 10 percent of the work force, by forcing employers to hire more workers.

But most economists say the auto industry most likely will use overtime, weekend and holiday shifts in make up for the lost hours.

Italy's Ailing State-Run Steelmaker Braces for More Cutbacks

By David Brown

ROME — Finsider Spa, Italy's ailing state-run steelmaker, faces job cuts of up to 15,000 workers as part of another drastic restructuring to adjust to slumping world markets.

The board of IRI, the government industrial holding company, was scheduled to meet Thursday to start work on a three-year recovery proposal that would include the job reductions and an infusion of new capital.

But even under this plan, company sources say, Finsider is not expected to turn a profit. Its losses, however, are expected to shrink to

about 200 billion lire (\$155 million) by 1989 from 1 trillion lire in 1986.

Alberto Aldrovandi, Finsider's chief spokesman, said "our latest problems were caused by American protectionism, an average 30 percent price drop" in the company's primary markets, "and sharp exchange-rate swings."

The steel market itself, Mr. Aldrovandi said, "is fundamentally sick."

A new Italian government emerging from elections expected in June will immediately be thrown into a political dilemma over the steel crisis, analysts say.

Italian producers have already made major adjustments but still face problems of overcapacity, declining markets, protectionism and weak prices. "Italian producers enjoyed unusually strong home markets until



Finsider's plant outside Naples.

market has caught up with the rest of the world. They're the second producer in Europe and they're sitting in the same boat as everybody else." West Germany is the leading European producer.

Between 1980 and 1986, both state-run and private Italian steel makers cut annual capacity by 23 percent to 29 million tons.

Italy's 52 private steel companies, most of them based around Brescia, switched to cheaper, small-scale production, using electric arc welding furnaces, melting scrap and making specialty products.

"The Bresciani did their home- See STEEL, Page 17

Currency Rates

Table with columns for Country, Currency, and Rate. Includes entries for Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and U.S.

Source: Reuters and AP.

Other Dollar Values

Table with columns for Country, Currency, and Value. Includes entries for Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and U.S.

Source: Reuters and AP.

Interest Rates

Table with columns for Term, Rate, and Source. Includes entries for 1 month, 3 months, 6 months, 1 year, and 5-year Treasury bill.

Source: Reuters and AP.

Asian Dollar Deposits

Table with columns for Term, Rate, and Source. Includes entries for 1 month, 3 months, 6 months, and 1 year.

Source: Reuters.

Durable Goods Orders Increase 3.4% in U.S.

WASHINGTON — Orders for durable goods at U.S. factories rose a healthy 3.4 percent in March, although much of the increase resulted from a jump in demand for military equipment, the Commerce Department said Wednesday.

The department said that orders rose \$3.43 billion last month to \$105.37 billion, the highest monthly total since December. Durable goods include items such as automobiles and home appliances that are expected to last at least three years.

The 3.4 percent increase followed an even stronger 6.7 percent rise in February, revised upward from an original estimate of 6 percent. The two increases followed a record 9.9 percent decline in January that was blamed on turmoil caused by the new tax law.

But about 80 percent of the March increase was concentrated in demand for military hardware, which shot up 38.2 percent last month following an even stronger 48.9 percent rise in February.

Orders for nonmilitary machinery rose 2.6 percent to \$17.3 billion. Orders for electrical machinery declined 4.8 percent to \$16.26 billion.

U.S. Ruling Aids States' Efforts to Curb Takeovers

By Stuart Taylor Jr.

WASHINGTON — A U.S. Supreme Court decision to uphold an Indiana law restricting hostile takeovers for companies will result in the adoption of similar statutes in many other states, legal experts predicted.

Reversing a lower court decision, the panel ruled 6-3 on Tuesday that the 1986 Indiana law does not violate either existing federal statutes regulating tender offers, or the clause in the U.S. Constitution that bans state obstruction of interstate commerce.

Public tender offers to buy shares at a specified price are frequently used in hostile takeovers because they do not require the approval of the targeted company's management.

The Indiana statute resembles laws that are in force in Ohio, Pennsylvania and several other states. Martin Lipton, a New York lawyer specializing in takeovers and in defenses against them, said that the ruling was "clearly a landmark decision" likely to "result in 30 or 40 states adopting legislation."

"And when that happens," he said, "I think it will have a significant deterrent effect on the junk-bond, bust-up takeover."

The law upheld Tuesday denies voting rights to those making tender offers or to any investors who increase their holdings above certain levels.

To vote, such investors would first need the approval of a majority of disinterested shareholders — excluding the bidders and the company's management.

The law also allows management in wait 50 days after a bid is made to schedule such a vote.

The Indiana law applies to corporations that are incorporated in that state, that have substantial assets there and substantial numbers of shareholders who live there. The law does allow companies in that category to exempt themselves from the statute, and therefore would be no obstacle in companies that wanted to be taken over.

Louis R. Cohen, the main author of a Justice Department brief arguing against the constitutionality of the Indiana law, was more guarded than Mr. Lipton in assessing the importance of the decision.

"This is a significant victory for the defensive side in the takeover fight," he said, "but there will be counterattacks from the offensive side and the pendulum may swing back."

Mr. Cohen had argued that the

France Unveils Plan to Fight Long-Term Unemployment

Reuters

PARIS — The French government announced plans Wednesday to combat long-term unemployment, which affects about 3 percent of its work force, by giving employers incentives to offer short-term contracts.

The short-term contracts would last at least two years. The government also plans five-month work programs aimed at helping the long-term unemployed re-enter the labor market.

About 800,000 people in France fall into the category of long-term unemployment, which is defined as being out of work for more than one year.

The package, presented Wednesday to the cabinet of Prime Minister Jacques Chirac by Labor Minister Philippe Seguin, will now go to the Parliament for approval, said the government spokesman, Alain Juppé.

Mr. Juppé said that the short-term work contracts would help about 10,000 unemployed and that

the five-month attachments would add another 20,000 in the first few weeks after the text is adopted by the legislature.

Training subsidies and exemption from social security contributions are the main incentives for employers. The package was put together after consultation with unions, Mr. Juppé said.

Unemployment is the French government's most pressing economic concern. The number of unemployed rose to a record 2.65 million in February, or 11 percent of the work force, according to government figures.

That seasonally adjusted figure compared with 2.61 million, or 10.9 percent, in January and 2.57 million, or 10.7 percent, at the end of December.

France's unemployment level is one of the highest among industrialized nations, compared with about 10 percent in West Germany, 6.7 percent in the United States and only 3 percent in Japan.

Advertisement for Jet Aviation featuring the slogan "Then we found out there's no connecting flight today..." and listing various cities served by the company.

Advertisement for Corum watches featuring the slogan "CORUM" and "CLARENCE" and describing the watches as "creation of watchmaking art."

Source: Reuters, Bank of Tokyo, Com...



BUSINESS ROUNDUP

AMC Posts \$23.4 Million Profit, Reversing Loss

DETROIT — American Motors Corp. targeted for takeover by Chrysler Corp., recorded a \$23.4 million profit for the first three months of 1987, reversing a loss of \$18.9 million in the like period a year earlier.

Earnings at the No. 4 U.S. automaker totaled 12 cents a share, or sales of \$1.1 billion after sales of \$918 million in first-quarter 1986.

It was the second consecutive quarterly improvement for AMC. The company earned \$20 million in the fourth period of 1986, its first profitable quarter in two years.

AMC's first-period profit stemmed from increased sales of Jeep vehicles, improved operating margins and greater manufacturing efficiency, said Joseph E. Cappy, the company's president.

Worldwide vehicle sales to dealers in the quarter rose to \$2.939 from \$2.422 a year before. Jeep vehicle wholesale and retail sales continue to maintain their

strong pace, and the passenger car lineup was strengthened by the introduction of the new compact Renault Medallion in March, Mr. Cappy said.

The Medallion is being imported from France. In the fall, AMC will

begin making the Renault Premier, a midsize sedan, at its new high-technology assembly plant in Bramalea, Ontario.

The current profit was achieved despite the start-up costs for the Bramalea plant and the provisions

for employee profit sharing, Mr. Cappy said. Chrysler agreed last month to buy French government-owned Renault's 46.1 percent interest in AMC along with other non-voting stock, options and warrants.

Nomura Profit Jumped 90% in First Half

TOKYO — Japan's biggest brokerage, Nomura Securities Co., Wednesday announced a 90 percent surge in profit to 111.58 billion yen (\$784 million) for the half-year ended March 31, from 58.74 billion yen in the like period last year.

The other three leading brokerages also reported huge gains for the same six months. Daiwa Securities Co. profits climbed 67 percent to 69.54 billion yen, Yamaichi Securities Co.'s jumped 105 percent to 57.68 billion and Nikko Securities Co.'s rose 85 percent to 58.66 billion.

Japanese manufacturers may be suffering from the impact of the strong yen, industry analysts said, but the relentlessly bullish stock market gave a big boost to the securities houses' profits.

A major factor in the huge profits is the vast turnover of shares on the domestic stock exchanges, which brings in a steady cash flow from still-regulated commissions on buy and sell orders.

Volume on the Tokyo Stock Exchange is averaging close to a billion shares a day, about twice as much as last year. The market average rose 211.69 points Wednesday

to a record closing high of 24,097.79 on turnover of 2.4 billion shares.

Prospects are excellent that securities houses' earnings will keep climbing as long as low interest rates, a sluggish economy and a weakening dollar continue to lure Japanese investors to the domestic equities market, the analysts said.

"Things are very rosy and are likely to stay that way," said Brian Waterhouse, an analyst at brokerage James Capel & Co.

"The performance of the brokerages reflects the investors' view of the market as a whole," he added.

Lynch in Buyout Of Supermarkets

NEW YORK — Supermarkets General Corp. said Wednesday it had agreed to be acquired for \$1.8 billion by an investor group led by members of its management and by Merrill Lynch Capital Partners Inc.

Supermarkets General said that the agreement, which was unanimously approved by its board, calls for a new company to promptly begin a cash tender offer at \$46.75 per share for up to 32.8 million shares, or 85 percent of its stock.

The offer will be followed by a merger of Supermarkets General and the new corporation, in which Supermarkets General stockholders will receive a package of securities. Dart Group Inc. withdrew a bid for Supermarkets valued at \$1.73 billion earlier this month.

TransCanada May Bypass Dome

TORONTO — TransCanada PipeLines Ltd. said Wednesday that it may go directly to the stockholders and creditors of Dome Petroleum Ltd. in an attempt to block the \$3.86 billion takeover bid by Amoco Corp.

Neil Nichols, TransCanada's senior vice president and chief financial officer, said his company is seeking favorable tax rulings from the Canadian government and may sweeten its bid for the debt-ridden oil and gas giant.

"If we feel that we cannot get the door open with Dome Petroleum, or if we receive an unsatisfactory response in Ottawa, then we feel that we may have to go to the creditors and shareholders," including major Canadian banks, Mr. Nichols said.

He denied reports that TransCanada was lobbying Canadian banks to back its bid, although analysts contended otherwise. Mr. Nichols said that TransCanada officials had met with Dome's major Canadian lenders to advise them of what it was

doing, but had had "no detailed discussions." He added that TransCanada had focused its efforts on seeking a government commitment to forego collection of about \$456 million Dome owes in taxes.

Analysts said Amoco, the fifth-largest U.S. oil company, appeared to have a tax advantage that TransCanada could not meet because, under U.S. tax laws, it could deduct part of the takeover cost and possibly save \$456 million.

Dome creditors and shareholders and the Canadian government must approve the Amoco takeover. TransCanada said its bid for Dome's \$3.7 billion in assets could be worth \$3.4 billion in cash and securities and possibly an additional \$760 million to creditors, depending on future profits based on oil prices.

Amoco Canada Petroleum Co. of Calgary, Alberta, which is wholly owned by Chicago-based Amoco, has signed a memorandum of agreement with Dome to acquire the company for 5.1 billion Cana-

dian dollars, which would make it the largest takeover in Canadian history. It also would make Amoco Canada, now ranked eighth, the nation's largest oil and gas producer.

Dome, which is \$4.6 billion in debt, and Amoco say their agreement is all but completed and that they are working toward a definitive merger agreement, expected within two weeks.

Shareholders of Calgary-based Dome would receive securities that could be exchanged for Amoco Corp. common stock, valued at \$5.32 each for Dome preferred shares and \$1.14 per common share.

Dome, which holds about 20 percent of oil properties in western Canada, has estimated proven reserves of 153 million barrels of crude oil, 66 million barrels of natural gas liquids and 3,186 billion cubic feet of natural gas.

It is the third-largest oil producer in Canada after Imperial Oil Ltd. and Texaco Canada Inc.

COMPANY EARNINGS

FCA Says Profit Fell 81%, Seeks Merger

Financial Corp. of America, parent of American Savings & Loan Association, the largest U.S. thrift, said first-quarter profit fell 81 percent to \$9.2 million, or 17 cents per share, from \$49.1 million, or \$1.21 a share a year earlier.

The company, which is struggling to recover from a near collapse three years ago, also said it has hired Kaplan, Smith & Associates to help evaluate possible merger offers. The consulting company specializes in the savings and loan industry.

FCA also made a \$79.8 million addition to its reserve for losses on loans and real estate during the first quarter, bringing the total reserve for the period to \$854 million.

Amoco's Profit Fell With Oil Prices

Amoco Corp. said first-quarter earnings tumbled 21 percent to \$260 million from \$331 million a year earlier because of lower oil prices and depressed operations in refining, marketing and transportation. Earnings totaled \$1.02 a share from \$1.28 a share at the fifth-largest U.S. oil company, while revenues fell 12 percent to \$5.2 billion from \$5.9 billion.

The earnings announcement on Tuesday came three days after Amoco agreed to purchase debt-ridden Dome Petroleum of Canada for about \$3.87 billion, which would make it one of Canada's biggest oil concerns.

Mobil Net Falls 43%, Sales Drop 8%

Mobil Corp. reported a 43 percent drop in first-quarter profit to \$253 million from \$440 million a year earlier, which had been the best first quarter since 1981. Earnings per share dropped to 62 cents from \$1.08. The company said crude oil and natural gas

prices were below their year earlier levels, and refining and marketing margins were also lower. Mobil said total revenues declined 8 percent to \$12.7 billion.

Unisys Posts Profit of \$110.2 Million

Unisys Corp., the U.S. computer maker, has said that cost savings resulted in improved earnings in the first quarter, although analysts said comparisons were difficult to make because the company was formed last September when the Burroughs Corp. acquired the Sperry Corp. for \$4.8 billion.

Unisys said net income in the latest three months jumped to \$110.2 million, or \$1.71 a share, from the \$16 million, or 35 cents a share, that Burroughs alone earned in the like 1986 quarter. Revenues more than doubled, to \$2.42 billion, from the \$1.14 billion of Burroughs in the period a year ago. In the first quarter of 1986, Sperry had earned \$39 million, or \$2.02 a share, on revenues of \$1.8 billion.

USAir Group Swings into Profit

USAir Group Inc. posted earnings of \$23.5 million, or 80 cents a share, compared with a loss of \$6.8 million in the first three months of 1986. Revenue for the quarter totaled \$464.9 million, up 14.2 percent from \$407.02 million in the same period a year earlier. It cited strong traffic and lower costs.

Piedmont Earnings Slip Slightly

Piedmont Aviation Inc., which has agreed to merge with USAir Group Inc., announced first-quarter earnings of \$5.7 million, or 16 cents per share, compared with a \$6.9 million loss a year ago. As with USAir, the improvement stemmed from reduced costs and strong bookings. Revenue climbed 14 percent to \$460.9 million from the \$404 million one year ago.

Company Results

Revenue and profits or loss, in millions, are in local currencies unless otherwise indicated.

Table with 3 columns: Company, 1987, 1986. Includes Northern Telecom.

Table with 3 columns: Company, 1987, 1986. Includes American Motors.

Table with 3 columns: Company, 1987, 1986. Includes Amoco.

Table with 3 columns: Company, 1987, 1986. Includes ASARCO.

Table with 3 columns: Company, 1987, 1986. Includes Barnes Group.

Table with 3 columns: Company, 1987, 1986. Includes Baxter Travenol Lab.

Table with 3 columns: Company, 1987, 1986. Includes Briggs & Stratton.

Table with 3 columns: Company, 1987, 1986. Includes Capital Cities/ABC.

Table with 3 columns: Company, 1987, 1986. Includes Chicago Milwaukee.

Table with 3 columns: Company, 1987, 1986. Includes Cityed Financial.

Table with 3 columns: Company, 1987, 1986. Includes Dow-Corning.

Table with 3 columns: Company, 1987, 1986. Includes Dravo.

Table with 3 columns: Company, 1987, 1986. Includes Ecolab.

Table with 3 columns: Company, 1987, 1986. Includes Electronic Data Sys.

Table with 3 columns: Company, 1987, 1986. Includes Emhart.

Table with 3 columns: Company, 1987, 1986. Includes E-Systems.

ESPRIT SICAV

Notice is hereby given that a dividend of ECU 4.25 per share will be paid against coupon number 1 of the bearer certificates, from April 24, 1987.

This dividend is payable at the office of: Banque Privée Edmond de Rothschild S.A. - Luxembourg Branch, 20, boulevard Emmanuel Servais, 2535 LUXEMBOURG.

The shares of Esprit SICAV will be quoted on the Luxembourg stock exchange ex-dividend starting on April 21, 1987.

On behalf of Esprit SICAV: Banque Privée Edmond de Rothschild S.A. LUXEMBOURG BRANCH.

Advertisement for Bank of Credit and Commerce International S.A. featuring a horse and rider. Text: 'Have all the advantages of a bank account in LUXEMBOURG, without actually being there.' Includes a coupon for a FREE copy of 'International and Personal Banking in Luxembourg'.

WITH BAYERISCHE LANDESBANK, YOUR PROJECT WILL BE OFF TO THE RACES.



Extensive resources, market access and broad experience make Bayerische Landesbank an attractive financial partner for international projects of all sizes and complexities. Consider our proven strengths: 1. Total confidentiality of investor's affairs by the laws of Luxembourg. 2. The benefits of being able to open and operate an account in Luxembourg without actually going there. 3. Investments and deposits made by non-residents are totally tax-free and there is no withholding tax on interest or dividends. 4. Luxembourg is a stable, prosperous financial centre in the heart of European Economic Community.

Floating-Rate Notes

Table with columns: Issuer/Mat., Coupon Next Bid Ask, Dollars, and various floating rate note entries.

Table with columns: Issuer/Mat., Coupon Next Bid Ask, and various international bond entries.

Wednesdays NYSE Closing. Tables include the nationwide prices on the closing on Wall Street and do not reflect late trades elsewhere.

(Continued) Table with columns: Div. Yld. PE, 52 Wk High Low, and various stock entries.

Pounds Sterling Table with columns: Bid, Ask, and various currency entries.

Japanese Yen Table with columns: Bid, Ask, and various currency entries.

Table with columns: Div. Yld. PE, 52 Wk High Low, and various stock entries.

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HET FINANCIËLE DAGBLAD invites you to "MEET THE NETHERLANDS GOVERNMENT II" AT AN INTERNATIONAL CONFERENCE ON MAY 20TH IN THE HAGUE.

Table with columns: Issuer/Mat., Coupon Next Bid Ask, and various international bond entries.

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INTERNATIONAL POSITIONS Do you have Sales or Marketing experience in Japan?

INTERNATIONAL POSITIONS VP FINANCE AND ADMINISTRATION An international investment and motion picture production company with offices in London and Los Angeles requires a mature, highly qualified executive to be responsible for the company's organization and the management of its Los Angeles operating unit as well as for the financial management of its substantial investment portfolio, including real estate and securities investments. This will be a new position.

Weekly net asset value Tokyo Pacific Holdings N.V. on April 21, 1987: U.S. \$208.30 Listed on the Amsterdam Stock Exchange

Business Development Manager - Europe with responsibility for managing, directing and implementing plans to increase the company's relationship with Japanese automotive OEM's, their custom molding

The successful candidate will have demonstrated competence in US international tax matters and should have an understanding of European tax matters as well. He/she will either be a CPA or possess a law degree and will probably have some experience in a large international accounting firm as well as in industry and will have spent some time living and travelling abroad.

Sea, Sun and S... Senior Accountant computer and take an effective part in all aspects of our accounting problems.

ABU DHABI NATIONAL OIL COMPANY ADNOC is one of the major oil companies in the Middle East controlling the Exploration, Production and Processing of Oil, Gas and Associated Products in Abu Dhabi and the Marketing of ADNOC's hydrocarbon products.

Tax Director - Europe, Africa & Middle East Brussels based Wang is a world leader in the manufacture and supply of computer technology. With subsidiaries in 11 European countries and distributor operations throughout the Middle East and Africa, turnover is rapidly approaching \$1 billion.

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BUSINESS RO COMPANY NOTE To call is to acc the bir omethin analysis requires top... concerned with... of m... is the n... works... Our cus... and... dem... in... Occa... fine... compr... of... of... Active in the in... community of... now is becom... international... product from... of the indu... is one of Sc... corporations. Our... extensive. With... and an active role... community, we h...

سكان العمل

**BUSINESS ROUNDUP**

**COMPANY NOTES**

**AGA AB**, the Swedish industrial gas company, said it was making a bid of 466 million francs (\$77.4 million) for the French gas group Duffour et Igon. It valued the bid at 3,500 francs per share, substantially more than offers this month by Carburos at Metalicos of Spain and Linde AG of West Germany.

**Allegany Beverage Corp.** of Maryland said it had signed a letter of intent to sell its Service America Corp. to Moye Lewis Citrus and Alm Inc. for \$500 million.

**American Telephone & Telegraph Corp.** said it had been awarded a \$20 million contract by the Pentagon to manufacture a highly advanced type of gallium arsenide computer chip that experts say will be a key element in space-based arms and nuclear weapons.

**Apple Computer Inc.** of California declared an initial cash dividend of 12 cents and a 2-for-1 stock split on shares held as of May 15.

**BASF AG**, the West German chemical manufacturer, said it would invest about 330 million Deutsche marks (\$183 million) over the next two years to build five plants and more than double the diphenyl methane diisocyanate-making capacity of its BASF Antwerpen NV subsidiary in Belgium.

**British Aerospace PLC's** acquisition of state-owned Royal Ordnance and the merger of Booth PLC and Pitsand Group PLC, both leather manufacturers, will not be referred to the monopolies commission, the British Trade Department said.

**British Petroleum Co. PLC** shareholders voted in favor of the \$7.4 billion bid for the minority shares in its American subsidiary, Standard Oil Co. BP also said it had applied to list its ordinary shares on the Tokyo stock exchange and that it expected the listing to be effective by August.

**Fairchild Semiconductor Corp.** of California said that its wafer fabrication plants in Nagasaki, Japan, and Wasserburg, West Germany, were for sale. Fairchild itself is being offered for sale by Schlumberger Ltd., which is trying to abandon the semiconductor business.

**LTV Corp.** said its missiles and electronics division near Dallas had been given a three-year, \$80 million contract to continue development of an extended missile system for the Strategic Defense Initiative.

**Nippon Steel Corp.** said it would begin marketing this summer 32-bit work-station computers supplied by Nippon-Sun Micro Systems KK, a wholly owned unit of Sun Micro Systems of the United States.

**Nippon Telegraph & Telephone Corp.** is considering joining American Telephone & Telegraph Co. in bidding to install electrical and communications systems at the new Kansai airport to Japan.

**Shearson Lehman Bros. Inc.** said it had established a subsidiary, Shearson Lehman Bros. Commodities Japan Ltd., to increase its 24-hour commodities trading business with Japanese institutions.

**Swiss Bank Corp.** said that commission income, already high, improved again in the first quarter; that foreign exchange and securities trading grew and interest earnings fell slightly. No figures were given.

**Wells Fargo Bank** stockholders approved a proposal to allow the San Francisco-based company to reincorporate in Delaware to take advantage of that state's more flexible corporate laws.

**Visa** will be investigated for possible antitrust violations in its response to American Express Co.'s plan to introduce a revolving credit card that would compete with Visa's bank credit cards, the U.S. Justice Department said. American Express said March 11 it would offer a credit card with an interest rate of 13.5 percent, below that charged by most banks issuing Visa cards. Two days later Visa, in a notice to the 5,500 financial institutions issuing its cards, said that the new card could threaten "one of your most profitable lines of service" and suggested they reconsider their relationships with American Express.

**Alcoa Recruits Chairman for Its Plan to Diversify**

*New York Times Service*

**NEW YORK** — Aluminum Co. of America has recruited Paul H. O'Neill, president of International Paper Co., as its new chairman and chief executive.

Mr. O'Neill, 51, will succeed Charles W. Parry, 62, who had expressed interest in retiring early. This is the first time in the 99-year history of the largest U.S. aluminum producer that it has recruited a chief executive from outside the company.

Mr. O'Neill joined International Paper in 1977 and became president in 1985. He has been a director of Alcoa since January 1986.

C. Fred Fetterolf, 58, Alcoa's president and chief operating officer, had been regarded as the most likely successor to Mr. Parry. Alcoa has set its sights on diversifying, with the goal of deriving half its revenues from non-aluminum sources by 1995.

**BUSINESS PEOPLE**

**Chairman Leaves Santa Fe Southern Pacific Amid Bid Rumors**

*By Arthur Higbee International Herald Tribune*

The Santa Fe Southern Pacific Corp. has announced the resignation of John J. Schmidt, chairman and chief executive since 1983, at a time when analysts say the company may be a takeover target.

After the resignation, the Chicago-based company's stock jumped \$2.25, to \$40, on the New York Stock Exchange on Monday, and gained another 25 cents on Tuesday.

The New York Times said that Mr. Schmidt's inability to persuade the Interstate Commerce Commission to approve the merger of the company's two rail systems, the Atchafalaya, Topeka & Santa Fe and the Southern Pacific, apparently cost him his job. But a Santa Fe spokesman said, "We will continue to press for the merger."

Santa Fe said that John S. Reed would fill in for Mr. Schmidt until a successor is chosen. Mr. Reed, 69, was head of Santa Fe from 1973 until 1983, when Mr. Schmidt, 59, succeeded him.

The diversified parent companies of the two railroads — Santa Fe Industries and Southern Pacific Corp. — merged in 1983 and then asked the ICC to approve a merger of the railroads. The ICC demurred, saying the anti-competitive impact outweighed any public benefit.

Security Pacific Corp. has announced a restructuring designed to improve overnight of its growing interstate operations. Under Richard J. Flansburg 3d, chairman and chief executive, the Los Angeles-based holding company has acquired banks in Oregon and Arizona and plans to buy banks in Washington and Nevada as well.

Security Pacific said a new corporate management team would coordinate the subsidiaries. The team will be headed by George F. Moody, president and chief operating officer. Mr. Moody, 56, will turn over his posts as president and chief executive of the main subsidiary, California's Security Pacific National Bank, to Robert H. Smith, 51, the bank's chief operating officer.

Morgan Guaranty Trust Co. of New York has announced the nomination of David Band and Douglas A. Warner 3d as executive vice presidents. Mr. Band, 44, a native of Scotland, is managing director of Morgan Guaranty Ltd., the firm's investment banking unit in London. He is scheduled to become Morgan Guaranty's regional chief for Europe, the Middle East and Africa. Mr. Warner, 40, an American general manager of the London office, will return to New York as regional chief for the United States, Canada and Latin America.

Walter A. Gubert, 39, an Italian head of international financial management in New York, will succeed Mr. Band in London, and Richard Delbridge, 44, a British assistant chief of the London office, will replace Mr. Warner there.

**Republic National Bank of New York**

A subsidiary of REPUBLIC NEW YORK CORPORATION  
Consolidated Statements of Condition  
(In Thousands)

Assets	March 31,		Liabilities and Stockholder's Equity	March 31,	
	1987	1986		1987	1986
Cash and demand accounts	\$ 215,571	\$ 299,806	Non-interest bearing deposits:		
Interest bearing deposits with banks	6,933,134	6,848,799	In domestic offices	\$ 580,345	\$ 473,945
Short-term tax exempt investments	153,695	175,000	In foreign offices	104,368	68,113
Precious metals	3,248,040	2,554,941	Interest bearing deposits:		
Investment securities	122,012	79,081	In domestic offices	3,636,852	2,795,246
Trading account assets	99,154	68,341	In foreign offices	7,583,281	6,981,010
Federal funds sold and securities purchased under agreements to resell	4,145,012	3,293,010	Total deposits	11,904,855	10,318,314
Loans, net of unearned income	4,037,098	3,213,654	Short-term borrowings	1,050,121	1,336,426
Allowance for possible loan losses	(107,914)	(79,356)	Acceptances outstanding	2,023,417	1,945,150
Loans (net)	4,037,098	3,213,654	Accrued interest payable	164,098	194,588
Customers' liability under acceptances	2,017,213	1,942,108	Other liabilities	417,201	316,737
Premises and equipment	286,593	288,951	Long-term debt	550,576	429,629
Accrued interest receivable	209,630	218,701	Stockholder's Equity:		
Other assets	390,000	283,558	Common stock, \$100 per value; 4,800,000 shares authorized; 3,550,000 shares outstanding	355,000	355,000
Total assets	\$17,712,140	\$18,051,071	Surplus	845,000	845,000
			Retained earnings	392,071	310,227
			Total stockholder's equity	1,592,071	1,510,227
			Total liabilities and stockholder's equity	\$17,712,140	\$18,051,071
			Letters of credit outstanding	\$ 964,521	\$ 596,000

The portion of the investment in precious metals not hedged by forward sales was \$14.0 million and \$7.9 million in 1987 and 1986, respectively.

REPUBLIC NEW YORK CORPORATION  
Summary of Results  
(In Thousands Except Per Share Data)

	Three Months Ended March 31,	
	1987	1986
Income before extraordinary item	\$48,812	\$32,664
Net income	\$32,943	\$32,664
Cash dividends declared on common stock	\$ 8.582	\$ 7.704
Per common share:		
Income before extraordinary item	\$ 1.57	\$ 1.10
Net income	\$ 1.03	\$ 1.10
Cash dividends declared	\$ .28	\$ .28
Average common shares outstanding	29,185	26,355

570th Avenue at 46th Street, New York, New York 10018  
(28 offices in Manhattan, Bronx, Brooklyn, Queens & Westchester County)  
Member Federal Reserve System Member Federal Deposit Insurance Corporation  
Beverly Hills • Beirut • Buenos Aires • Caracas • Cayman Islands • Channel Islands • Gibraltar • Hong Kong  
London • Los Angeles • Luxembourg • Mexico City • Miami • Milan • Monte Carlo • Montevideo • Montreal • New York • Nassau  
Panama City • Paris • Punta Del Este • Rio de Janeiro • Santiago • Sao Paulo • Singapore • Tokyo

**Knoedler Modarco S.A.**

**Notice of Ordinary Meeting of Stockholders to be held on May 12th, 1987.**

Notice is hereby given of the annual meeting of stockholders of Knoedler Modarco S.A. on May 12th, 1987 at 10:00 a.m. Local time for the following agenda:

1. Report on the activities of the company on fiscal year 1986
2. Auditor's report
3. Vote on approval of the account and the auditor's report
4. Allocation of the net results of fiscal year 1986
5. Discharge to the Board of Directors
6. Election of Directors
7. Appointment of auditors
8. Miscellaneous

The 1986 annual report is at the disposal of stockholders as of May 5th, 1987 at the Banque Paribas (Suisse) S.A., Geneva (and its branches in Basle, Lugano and Zurich) where admission cards for the ordinary meeting can be withdrawn against common shares on deposit until May 7th, 1987.

By order of the Board of Directors  
Dr. Armand HAMMER  
Chairman

**"To catalyze is to accelerate the birth of something new."**

Neste is a dynamic and expanding oil, energy and chemical corporation.

Neste excels in three basic phenomena: combustion, catalysis and polymerisation. Our detailed knowledge of these phenomena is put to practical use in developing products and exploring new potential applications of energy and chemicals.

**Catalysis requires top-level know-how**  
Catalysis is concerned with the controlling and accelerating chemical changes. It permits the fundamental control of man-made materials and, for this reason is the main focus of attention of Neste's R&D work. As experts in catalysis for oil-refining and petrochemical industry, we offer our customers top-quality oil products, polymers and chemicals, and also special products that demand the highest level of technology.

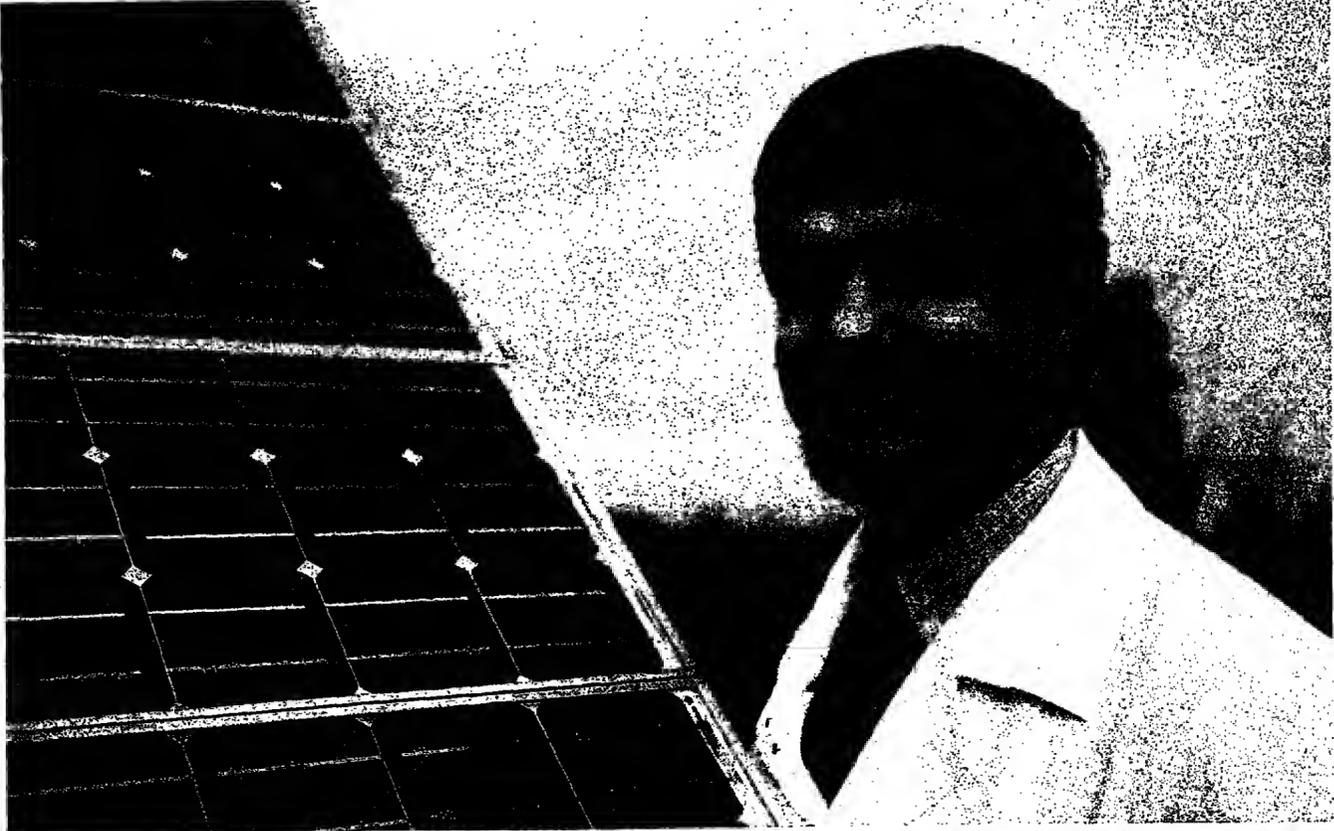
Neste's expertise in catalysis extends from basic oil-refining processes to polymerisation processing for the finest plastics. Electrically conducting plastics comprise one of our special fields.

One current area of research deals with electrochemical storage of energy in polymer batteries.

**Active in the international community of scientists**

Neste's know-how is becoming wider, deeper and more international. Our research and development extends from basic research right through to production.

In terms of the industrial application of science, Neste is one of Scandinavia's most advanced corporations. Our collaboration with institutes and universities in various parts of the world is extensive. With business units in 30 countries and an active role in the international scientific community, we have a wealth of con-



Lars Göddö, Doctor of Technology, Manager of Physics Research, Neste Oy

tacts and scientific knowledge at our disposal. Neste's experts are highly regarded in the energy and chemical fields throughout the world.

**Human resources are invaluable**

Advanced technology creates the key to Neste's continued success. We believe that people are the most important resource in research and development. In skilled hands technology is a perfect tool.

Our advanced technical know-how and skills can offer you and your company new exciting opportunities.

We are constantly looking for new opportunities and partners to co-operate with in our own special areas. If you are interested in Neste, send us your business card or post this coupon to the following address: Neste Oy, New Ventures, Kalliantie, 02150 Espoo, Finland. I would like to know more about Neste's activities in:

- oil  chemicals  shipping  batteries  gas  
 technology  I would like general information on Neste.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_ Telex \_\_\_\_\_

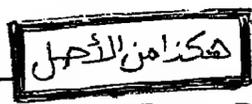
**The largest industrial company in Finland**

Present in more than 30 countries  
Divisions: Oil (refining, trading and exploration), chemicals (petrochemicals, industrial chemicals and plastics), shipping, batteries, gas, technology  
Personnel: 10,000  
Turnover in 1986: USD 5.3 billion



Neste Corporation, Corporate Head Office: Kalliantie SF-02150 Espoo Finland Tel. + 358-0-4501, New York: 1 Rockefeller Plaza Suite 1708 New York, N.Y. 10020 U.S.A. Tel. + 1-212-9772546, Riyadh: P.O. Box 61134 Riyadh Saudi Arabia Tel. + 966-1-4015076, Moscow: Polkovnikov Bulvar 47/7 KV 11 Moscow U.S.S.R. Tel. Moscow 2077473, London: 30 Charles II Street London SW1Y 4AE England Tel. + 44-1-9307333, Stockholm: Villagatan 13 B S-11432 Stockholm Sweden Tel. + 46-8-246540





CURRENCY MARKETS

Dollar Rises Ahead of U.S. GNP Data

LONDON — The dollar strengthened Wednesday in quiet European trading, aided by market anticipation that first-quarter figures to be released Thursday would show a healthy increase in the U.S. gross national product.

London Dollar Rates

Table with columns: Currency, Bid, Ask, Bid, Ask. Includes Deutsche mark, Swiss franc, French franc, Japanese yen.

In London, the dollar closed at 1.8245 Deutsche marks, up from 1.8145 DM on Tuesday, and at 142.40 yen, up from 142.35. The currency also rose against the British pound, which closed at \$1.6270, down from \$1.6340.

year high of \$454.30 dollars an ounce.

The gold price had dipped to \$445.50 by Wednesday's afternoon's fixing, as some investors sought to take quick profits. The flurry of gold sales was fueled by the advance of the dollar, dealers in precious metals said.

Clayton K. Yentzer, the U.S. trade representative, warned meow while in Tokyo that the yen would rise further in the years ahead unless Japan opened its markets to imports.

He confirmed that he had told the secretary-general of the Japan Socialist Party on Wednesday that the dollar could fall to 100 yen if Japan kept its markets closed. But he emphasized he was dramatizing the situation and did not mean the figure to be taken literally.

TRADE: No Accord

(Continued from Page 1) and the status of legislation in Congress as former Japanese Foreign Minister Shintaro Abe continued to press his campaign to get the sanctions rescinded.

Baldridge Warns Chinese Commerce Secretary Malcolm Baldridge said in Beijing that China's textile exports to the United States were growing too fast, Reuters reported Wednesday.

"In one year, Chinese textile exports to the United States have shot up 65 percent," he said before the U.S.-China Joint Commission on Commerce and Trade.

"We hope that China recognizes that growth of that magnitude cannot continue, particularly in view of the stringent limits placed on our other suppliers," he said.

NAVISTAR: Truck Maker Shifts Out of Reverse, Regains Thirst for Growth

(Continued from first finance page) equity, so that we have a little more financial flexibility now than we did before."

The restructuring had one more feature, which was put into place last week: It turned Navistar's international into a holding company, with its existing truck and engine operations as a subsidiary, to give the company more maneuvering room for acquisitions.

"The holding company gives us more flexibility to diversify our business if we choose to do so," Mr. Cotting said. "We'll keep looking for separate, fairly independent subsidiaries with their own operating policies and employee relations and compensation policies that have been designed to really enable them to be very competitive in their markets."

And what to acquire? Navistar's leaders are offering virtually no hints about the kinds of acquisitions they may be seeking, or on the timing.

"Most of our focus," said Mr. Cotting, "is now on areas that are closer to the kind that could benefit from our kind of culture and management know-how and our knowledge base."

"They would tend to be businesses that are manufacturing businesses, probably industrial-type products, rather than consumer products. We'll keep looking in those areas, but if we find some good ones there that would be good and make a lot of sense, then we'll give them serious consideration," he said. "If we don't, we'll look at other areas."

Because of its financial restructuring, Navistar is in good shape to make a fairly sizable acquisition. Although it is unlikely to undertake any sort of stock swap because it currently has a huge 237 million common shares outstanding, its newly lowered debt-equity ratio makes it feasible for Navistar to borrow to fund takeovers.

Navistar has something else going for it financially. Because of its huge losses in the early 1980s, the company is carrying around nearly \$2 billion in potential tax-loss carry-forwards, giving it the ability to shelter the income of anything it acquires.

That would allow it to negotiate for flat wages or minimal increases without the union complaining that the company is spending its money on other businesses. With the contract behind it, the company will then be free to start shopping.

In the meantime, Navistar is still looking to wring profits out of the truck and engine businesses. Al-

though as International Harvester was primarily known as a tractor maker, the company built up an impressive franchise over the years in heavy-duty long-haul trucks and in medium-sized trucks.

Overall, it leads the North American truck industry with a 27.1 percent share of the market. In the fast-growing market for diesel-powered medium trucks, it commands a 47.3 percent share.

However, those numbers are somewhat tarnished by the depressed state of the American truck market. Deregulation, high costs and other factors have steadily reduced the overall market for medium- and heavy-duty trucks in recent years, leaving Navistar and its competitors fighting for pieces of a smaller pie.

Fannie Mae Given Go-Ahead on New Security

WASHINGTON — The Reagan administration has permitted the Federal National Mortgage Association to begin underwriting a new kind of mortgage-backed security, but put the agency on notice that it must move swiftly toward complete privatization.

helping to provide adequate funds for further home lending. Created by Congress with a \$2.5 billion line of credit at the Treasury, Fannie Mae places an implicit government guarantee on the mortgages it sells. Mortgage specialists say Fannie Mae's presence in the market has reduced mortgage rates to consumers by one-half to three-quarters of 1 percentage point.

Samuel R. Pierce Jr., secretary of the Housing and Urban Development Department, said in his decision Tuesday that Fannie Mae must help the department in a privatization study to be completed by Oct. 1, and required Fannie Mae to reduce its debt burden substantially over the next two years.

Trio Withdraws Bid for Hospital

NASHVILLE, Tennessee — Three businessmen have withdrawn an offer to pay \$5 billion, or \$47 per share, to acquire outstanding stock in Hospital Corp. of America.

Thomas F. Frist Jr., the company's president, was notified of the withdrawal Tuesday in a letter from Charles R. Miller, Richard E. Ragsdale and Richard L. Scott, the three men said.

STEEL: Italy's State-Run Steelmaker Braces for Cuts

(Continued from first finance page) 15,000-job cutback, or 18 percent of its work force, and new capital of 1.7 trillion lire from IRI are needed between now and 1989.

About half of the proposed job cuts will come at the Nuovo Italo-lavor division, which is based in the southern port city of Taranto. It accounts for 86 percent of the country's output of hot flat steel.

The division had a loss of 570 billion lire last year as sales fell by 10 percent, to 4,575 billion.

Bagnoli, the Naples-based Finisider plant that makes steel coil, is cited by analysts as the other plant most likely for deep cutbacks. It has been held to halt its capacity, or to 1.2 million tons by EC

quotas, and lost about 150 billion lire in 1986.

Mr. Aldrovandi said that beyond the job reductions, Finisider will aim to coordinate joint production and marketing ventures with private companies.

For example, parts of Bagnoli could be merged with the private Falck group. The Delataser carbon and specialty steelmaker could team up with the private Lucchini group.

Naples and Taranto already suffer from heavy unemployment, and the steel unions are expected to bargain hard for special incentives and early retirement provisions.

Wednesday's OTC Prices. NASDAQ prices as of 3 p.m. New York time. Via The Associated Press.

Table with columns: 12 Month High Low Stock Div. Yld. 1986 High Low 3 P.M. CHGE. Lists various stocks like ADCA, AMCO, AMER, etc.

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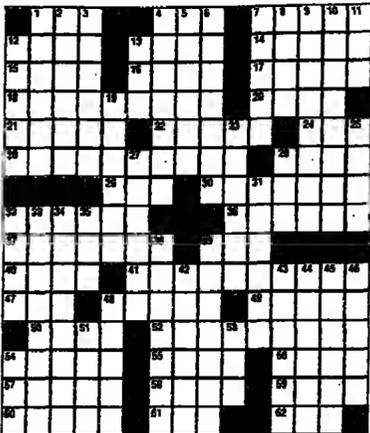
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- ACROSS**
- 1 An N.C.O.
  - 4 Heathrow
  - 7 Roadside
  - 12 Bourne
  - 13 Nobbyman
  - 15 Agent: Suffix
  - 16 Home of the Hawks
  - 17 Bird flying in Boston Garden
  - 18 Don Juan
  - 20 Mound
  - 21 Outraged
  - 22 Like aviaries
  - 24 Letters on a
  - 26 Jubilant one
  - 28 Indigo
  - 29 ...thy warfare
  - 30 Obscurity
  - 32 Voice
  - 36 Was profligate
  - 37 Fiendish
  - 39 Ship-shaped table utensil
  - 40 Sun god
  - 41 Odds against this are 649,739
  - 47 001 of an inch
  - 48 Novelist
- DOWN**
- 1 Literary genre
  - 2 Worldwide
  - 3 Cylindrical
  - 4 Ph.D. course
  - 5 Trumpet call at the Globe
  - 6 Sees if a suit suits
  - 7 Spread out
  - 8 ...Bator
  - 9 Mongolian
  - 10 Disciplinary
  - 11 Hardy cattle breed
  - 12 Of an ancient Frank
  - 13 Olla
  - 19 Experiencing a new life
  - 23 Bricklayer's tool
  - 25 Common vehicle
  - 27 Withdraw, in a way
  - 28 Contented sighs
  - 31 Express vaguely
  - 32 One of the Smiths
  - 33 Part-timers of a sort
  - 34 Humphrey Clinker's creator
  - 35 A long, long time
  - 38 Like part of a circle
  - 39 Hyde Park denizens
  - 42 Freeholders of yore
  - 43 East Indian sailor
  - 44 Vest
  - 45 Prospects
  - 46 Shilly-shally
  - 48 Agrippina, to
  - 51 Within: Prefix
  - 53 Neighbor of Aus.
  - 54 ...king

PEANUTS



BLONDIE



BETLE BAILEY



ANDY CAPP



WIZARD OF ID



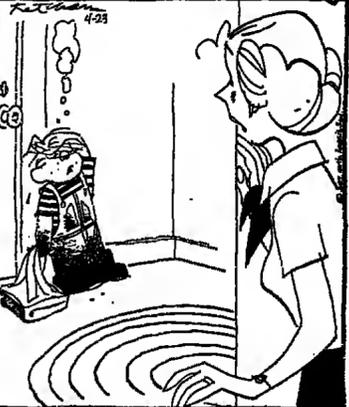
REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RYTUL

KADEB

SEJERY

PLINEP

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○○○

(Answers tomorrow)

Yesterday's Jumbles: FELON TRYST COWARD SUBMIT  
Answer: At most bankrupts this is the rash course—DISCOURSE

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	23	12	Bangkok	27	18
Athens	20	15	Beijing	27	18
Berlin	18	10	Hong Kong	27	18
Bombay	28	18	Kobe	27	18
Buenos Aires	11	5	Manila	27	18
Calcutta	28	18	Osaka	27	18
London	18	10	Seoul	27	18
Los Angeles	21	12	Tokyo	27	18
Madrid	18	10			
Mexico City	21	12			
New York	18	10			
Paris	18	10			
Rome	18	10			
Sao Paulo	21	12			
Tel Aviv	21	12			
Washington	18	10			

World Stock Markets

Via Agence France Presse Closing prices in local currencies, April 22

Market	Index	Change
Amsterdam	3240	+21
Bombay	10250	+100
London	2394	+24
Manila	1117	+15
Paris	1272	+12
Stockholm	1410	+10
Tokyo	14100	+100

TEXASVILLE

By Larry McMurry. 542 pages. \$18.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020. Reviewed by Jonathan Yardley

IN this, his 11th novel, Larry McMurry returns for the first time in many years to the bleak countryside of West Texas, the setting for his fine early novels: "Horseman, Pass By," "Leaving Cheyenne" and "The Last Picture Show." Each of those books was in its own way an elegy, though scarcely an overtly sentimental one, to the lost Texas of McMurry's boyhood—and to boyhood itself, with all its fading innocence and awakening sexuality. Now, in "Texasville," McMurry contemplates what has happened to the hamlet of Thalia—a "tiny spot of town in the midst of a vast, scrubby plain"—and to the members of its high school's class of 1954 since last we encountered them in the closing pages of "The Last Picture Show."

What he finds is that, like so many other Texans during the same period, they have been on the roller coaster fueled by oil: wildly prosperous when OPEC drove prices up in the 1970s, then suddenly headed for the poorhouse when prices nosedived in the 1980s—"accidental rich" for only a few months, after now, nouveau bankrupts. Duane Moore—Sunny Crawford's intimate friend and romantic rival in "The Last Picture Show"—is at the center of the story: "He had started poor, become rich, and now was losing money so rapidly that he had come to doubt that much of anything was true, in and about. He had \$850 in the bank and debts of roughly \$12 million, a situation that was becoming increasingly untenable."

Duane is 48 years old, the father of four exceptionally fractious and argumentative children, living in an immense new house five miles out of town. His marriage to the earthy, irreverent Karla is amicable, but devoid of spark or mutual interest. Like a worn old sheet ready to be torn into pieces: "A few more weeks and they might only have the rags of a marriage." Indeed, the metaphor can be carried further:

BOOKS

"Everything, it seemed, had been washed too many times, had worn too thin. His friendships and his little romances all seemed sad and fragile to him. They had once been the comfortable and reliable fabric that was his life. But the fabric became too old to bear the weight of all the bodies and personalities and needs of the people who tossed and turned on it. At some point a toenail or an elbow had poked through, and now it was all tearing."

He is a good man in a bad time; a solid, responsible fellow—even if he does have more than a bit of extramarital action on the side—surrounded by chaos and irresponsibility.

It does not help matters that Thalia is preparing for the celebration of its centennial and that Duane is in charge of festivities involving "concessions, raffles, a carnival, street dances, a pageant that would run for a week, and even a centennial calendar." Even as the celebrants talk about Thalia's "glorious heritage," it is all too obvious to Duane that in the hour of the glory Thalia has lost its way, that the "old glory"—putting their families and neighbors first, leading more or less orderly, more or less "respectable" lives—has been shattered by the arrival of money. The modest, old-fashioned values that Thalia once treasured were cast aside in the big boom, in the race for instant riches, now that the boom is over the time of reckoning is at hand, and Thalia no longer has the bedrock of conviction upon which to stand.

The embodiment of this lost past is Sunny Crawford, who has eschewed oil riches and "settled for a carwash, a Kwik-Sack (convenience store), a laundry and a hotel that only operated three weeks a year." Sunny is an honorable yet forlorn figure: "He had concentrated on holding some middle space between victory and defeat. Now, despite a life of good planning, defeat was staring him in the face anyway. He is beginning to lose his concentration, to slip back and forth between the times, by the memory of his cherished friends Sam the Lion and Billy, both dead all these 30 years. Thalia feels sorry for Sunny now; it does not realize that this is poignant evidence of its own decline."

To say all of this makes Texasville seem a considerably sadder book than it actually is. Though McMurry clearly knows that something precious is gone and laments its passing, Texasville crackles with energy, humor, and passion. As is often the case in his novels, the sexual activity is vigorous and varied and described with considerable relish. Prominent among the women is Lucy Farrow, Duane's lost love of 1954, who has unexpectedly returned to Thalia, she was played by Cybill Shepherd in the film movie adaptation of "The Last Picture Show" and it is to Sherman's credit that McMurry has dedicated "Texasville." What he has given her is what one of his Texans might call a big 'ol mess of a book: long, haphazardly plotted, exuberant, popular, good-spirited.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alar Truscott

ON the diagrammed deal, West won and led a low club. Ten guarantee success. But West-East played low and the ten discarded a heart and then ran to the queen. The heart was still work to do. The diamond ten was fished, a play 'lead forced. East '10, concede East had provided by his play; two club tricks at the finish, at the second trick, and the (An alternative in the diamond suit was cashed: A grand position was to ruff a diamond ruff led this ending:

WEST: ♠ 10 7 6 5 4 3 2, ♥ Q J 10 7 6 5 4 3 2, ♦ Q J 10 7 6 5 4 3 2, ♣ A K J.

EAST: ♠ A K Q J 10 9 8 7 6 5 4 3 2, ♥ A K Q J 10 9 8 7 6 5 4 3 2, ♦ A K Q J 10 9 8 7 6 5 4 3 2, ♣ A K Q J 10 9 8 7 6 5 4 3 2.

Both sides were vulnerable. The bidding: South West North East ♠ 1 2 3 4 5 6 7 ♥ 1 2 3 4 5 6 7 ♦ 1 2 3 4 5 6 7 ♣ 1 2 3 4 5 6 7.

West led the heart king. The Mitchell team gained 12 international match points, for in the replay South led a club to the jack at the second trick, eventually losing two tricks in each black suit.

Jacqui Mitchell was now sure of the distribution, the bidding and play had marked the hearts, three diamonds and therefore two clubs. Playing for one club honor to be on her left, she led the ten from the ace of spades, hoping for

Hawks

NEW YORK — The Hawks... Kevin McHale... Boston Celtics... The Hawks... Kevin McHale... Boston Celtics... The Hawks... Kevin McHale... Boston Celtics...

NBA Gives Franchises To 4 Cities

NEW YORK — The National Basketball Association... awarded expansion franchises to four cities: Miami and Charlotte, North Carolina; Orlando, Florida; and Las Vegas, Nevada. Each franchise will pay a fee of \$25 million. The acceptance of the new franchises is a surprise to many NBA expansion commentators, who had expected a postponement of the franchise sale until after the 1987-88 season. Miami and Charlotte are expected to be the first to open in 1990. Orlando is expected to open in 1991. Las Vegas is expected to open in 1992. The Hawks' 1987-88 season is expected to be their last. The team is expected to be sold to a new owner, who will then be allowed to sell the franchise to a new team. The Hawks' 1987-88 season is expected to be their last. The team is expected to be sold to a new owner, who will then be allowed to sell the franchise to a new team.

High Low Close Chg.

Market	Index	Change
Amsterdam	3240	+21
Bombay	10250	+100
London	2394	+24
Manila	1117	+15
Paris	1272	+12
Stockholm	1410	+10
Tokyo	14100	+100



SPORTS

Hawks Fulfill Tall Order, Soar to the Top

By Ira Berkow
NEW YORK — When Mike Fratello... who says he is 5-foot-7 (1.70 meters), and is short enough to have once been turned down for a National Basketball Association head coaching job because of his height... when Mike Fratello, now the coach of the Atlanta Hawks, stands next to 7-footers Tree Rollins or Kevin Willis and gives them instructions, it looks as if he's calling up to the second floor.

Setting the record in Chicago may have had special meaning to Fratello. For it was in Chicago four years ago that, as an assistant coach with the New York Knicks, he was interviewed for the Bulls' vacant head coaching position. The team's general manager asked him, referring to his height, how he could demand respect from his players. "You don't demand respect," said Fratello, "you earn it."

In a good, succinct answer — the kind that could get you into "Barletta's Familiar Quotations," or at least a television commercial for a brokerage firm. It could do many things, but getting him a job with the Bulls was not one of them. Paul Westhead got the job instead, and was dismissed after a year.



B. J. Surhoff graced after striking out to end Tuesday night's game and Milwaukee's winning streak at 13.

White Sox End Brewer Streak

By Malcolm Moran
CHICAGO — A fly ball that had been turned into a diving catch during the stretch that made Milwaukee famous for the warning-track dirt Tuesday night. A ground ball not unlike those that had extended Brewer rallies for two giddy weeks was turned into an inning-ending double play.

Still, the people who had come down from the north stood and screamed for their team before, during and after a disappointing evening, as an early five-run deficit became a 7-1 Chicago victory and Milwaukee's first defeat of the year.

And Tom Trebelhorn, the manager whose team had tied a major league record with 13 victories to start the season, employed a five-man infield in the eighth inning, when rational thought suggested his team's winning streak was over.

NBA Gives Franchises To 4 Cities

The Associated Press
NEW YORK — The National Basketball Association on Wednesday awarded expansion franchises to four cities.

Team Doctors: On the Cutting Edge

By Gerald Eskrenazi
NEW YORK — Joe Klecko and Eric McDowell are two of New York's notable invalids. In other cities, in other sports, in other arenas, dozens of other major-league athletes face similar problems and decisions.

Clemens of Red Sox, in 1986 Form, 3-Hits Royals

Compiled by Our Staff From Dispatches
BOSTON — Roger Clemens, whose best outings in 1987 had come in simulated games, has finally reproduced the form he flashed in 1986.

decisions of the regular season. Last year's American League most valuable player and Cy Young Award winner, Clemens had worked in simulated game situations but said that's not the real thing.

Going into the seventh inning, Frank White broke Clemens's no-hitter with a clean single up the middle.

Denny Walling capped a four-run, ninth-inning rally with a bases-loaded single to lift the Astros past Atlanta. Losing reliever Gene Garber failed to retire any of the five hitters he faced.

Baseball Roundup

In 1986, Clemens held Kansas City hitless for six innings and finished with a three-hitter Tuesday night as the Boston Red Sox trounced the Royals, 8-0.

It was the first victory of the season for Clemens, who missed all of spring training in a contract dispute and then lost his first two

games in the seventh inning. Frank White broke Clemens's no-hitter with a clean single up the middle.

Padres 3, Reds 2: In San Diego, Garry Templeton's two-out single in the eighth scored pinch-runner Luis Salazar from third, enabling the Padres to end a four-game skid.



Tree Rollins, Atlanta's "catalyst," humming the ball past Boston's Larry Bird.



Junior Ortiz, Pittsburgh's catcher, caught up with Gary Carter to apply the finishing touch to the first triple play of 1987.

SCOREBOARD

Table with multiple columns: Baseball, Transition, Golf, PGA Leaders, European Soccer, Tennis Leaders, Hockey, NHL Playoffs, World Championships. Includes scores and player names.

NBA Gives Franchises To 4 Cities

The Associated Press
NEW YORK — The National Basketball Association on Wednesday awarded expansion franchises to four cities.

ART BUCHWALD

The Bed-Making Theory

WASHINGTON—Time magazine devoted a recent cover to the breakdown of service in the United States. Nobody seems to be able to get anyone to help them anymore.

"I recall saying the same thing to my kids," I said as we inched slowly toward the ticket counter. "I remember years ago holding one of my children in my arms and saying to him, 'I will see to it that you will never have to stoop over for your clothes as long as you live. I kept that vow—or let's say my son kept it for me. Whenever his mother or I yelled at him he replied, 'If I have to think about my room I won't have time to think about the human condition.'"



Buchwald making their beds

"What is that?" "All the trouble started a generation ago when the youth of America were permitted to grow up without their beds."

"Why did we allow it?" Melnick said. "It had to do with the wars. Men went off to fight and when they were asked what they were fighting for they said, 'I think of anything so my children will never have to clean up their rooms again. Our kids are going to become doctors and lawyers and investment bankers, and paid-up members of the Democratic and Republican parties, and they are not going to be distracted by household chores.'"

'Nevski' Film With Orchestra

LOS ANGELES—Sergei Eisenstein's 1938 film "Alexander Nevski" will be shown in three U.S. cities with live performances of Sergei Prokofiev's original symphonic score (the film sound track used a small orchestra). The first one will be in Los Angeles, Nov. 3 with the Los Angeles Philharmonic, conducted by André Previn, joined by the Scottish mezzo-soprano Christine Cairns and the Los Angeles Master Chorale.

"So you think," I asked, "that service has broken down in the United States since we let the kids have a free ride in their bedrooms?" Melnick said. "You could make a case for it. The non-bed-makers are screwing up the entire government because they never used a laundry hamper. The retail business is filled with people who spent their childhood dumping their pants and skirts on the floor. There are millions of men and women in their prime who have never figured out what to do with a hamper."

"How do you do it?" Melnick asked. "We make the kids keep their doors closed so we can't see what is on the other side."

"The man standing behind us said, 'You don't necessarily have to be neat to do well in your profession. My son is a surgeon and he never made a bed in his life.'"

"What a judgment the sheet for him before he operates?" "His mother."

Robert Townsend's Credit Card 'Shuffle'

"This movie really is about more than being black in Hollywood; it could have been about an Irish guy who always gets the role of the drunk."



A man in charge: "Wardrobe? Uh, take the Saks card."

By Esther B. Fein New York Times Service HE could have been a pimp. He could have been a junkie. Instead, Robert Townsend became the producer, director and star of the new film "Hollywood Shuffle."

In the course of the comedy, Townsend happens to play a pimp, a junkie and a slave. But instead of the roles being Hollywood's version of blacks, they are Townsend's parody of Hollywood's version.

The movie was born of the 30-year-old Townsend's frustrations with the status quo for black actors in Hollywood. Returning from shooting "A Soldier's Story" a few years ago, high on the experience of having worked with an ensemble of black actors rather than being the sole black in a movie, Townsend was offered a stack of scripts with the stereotypical roles for a black man: a rapist, a mugger and an addict. (The black woman's equivalent, he explained, is a prostitute, an unwed mother and a junkie.)

Distracted, he called his agent. "He told me, 'Robert, every year they do one black movie and you just did it,'" Townsend recalled. "I guess I thought people would be so taken by 'Soldier's Story' that it would be different. It wasn't. The roles were so appalling to him, Townsend said, that he preferred doing commercials. "I know a lot of actors won't do commercials because they think it's below their dignity. But I felt like at least in commercials I had dignity. I was a bank teller for 60 seconds. It wasn't, 'Here's Clarence, the live plumber, you what's hap'nin'?" It was, 'Mrs. Jones, look how clean your dishes are. I was playing real people, not caricatures.' Townsend called his friend Kennan Ivory Wayans, an actor and a writer, to commiserate.

Wayans, it seems, had been offered the same script. The two decided that what they would really like to be in was a good old-fashioned detective movie, a black-and-white Mickey Spillane type, complete with a beautiful moll. Together, they wrote a script about the adventures of Sam Ace and Gerry Curly and filmed it one weekend in 1984.

The following weekend, inspired by what they thought was an unfair movie review by a television critic, the two wrote and filmed a sketch called "Sneakin' in the Movies," a talkoff on Siskel and Ebert's "At the Movies," in which two black men sneak into a theater and critique films from a street-wise vantage. Townsend and Wayans decided that there really should be a school where white teachers prepare educated black actors for the roles Hollywood has to offer them. So they wrote and shot a satirical commercial for the "Black Acting School."

cards and combined them with store credit cards he already had to finance the movie. His budgeting went something like this: "Wardrobe? Uh, take the Saks card."

"Art supplies and scenery? Try the May Company." "Salaries? How about if you all drive your cars to the Mobil station and I'll fill your tanks."

He found he could buy raw film stock with his MasterCard, and even got a student discount by wearing a UCLA T-shirt. (Most of the film stock, he said, came from directors of pictures he was acting in, who would give him shortage, bits of leftover film. Working with snippets of film, he explained, forced the crew to be efficient, usually limiting shoots to one take.)

Townsend's last plastic gesture was renting a theater to show his film to studios and catering a lavish buffet in the hope of attracting a distributor. Fearing that he would not fill the place, he invited people from virtually every studio, and within the studios, he invited everybody from the presidents to vice presidents to secretaries to golfers.

The response, he said, was great, only not everybody understood what he was trying to do. Some who were eager to distribute the film even suggested combining all the street-talking five scenes to make a trailer. Sam Goldwyn Jr. reacted differently.

"He said, 'This is about the future of black actors,'" Townsend recalled. "When he said that, I thought, 'Somebody understands me.' Somebody, namely Goldwyn, also gave him a check for \$40,000, to pay off his credit card debt. Now that he has gotten a moral message on screen, Townsend said, he wants to get on with the business of making movies. When he is deciding what movie to see, he said, he does not open the entertainment section of the newspaper and say, "Now, what white movie can I go to?" and he hopes that it won't be long before people look at films by blacks or starring blacks as films not as anomalies. "The next movies I do," he said, "will just be about people, normal people."

PEOPLE

Billy the Kid Monument Stirs Threat of War

Texas has gone too far in claiming Billy the Kid died there and not in New Mexico, says a New Mexico county official. Dona Ana County commissioners are upset because Bisco, Texas, last week created a monument to a man who claimed to be the outlaw. Bisco residents said they have evidence showing the outlaw was not killed in 1881, and that he spent the years of his life in El Paso as Ollie F. (Brushy Bill) Roberts. New Mexico residents stick to the story that their Sheriff Pat Garrett gunned down Billy, a fugitive cattle rustler using the name William H. Bonney, in 1881. By acknowledging the claims of Roberts, Bisco residents are calling Garrett a liar, Jay Berger, a Las Cruces, New Mexico, commissioner, said Tuesday. "No retaliation for this despicable act is too great," the commissioners said in a letter to Governor Garret Carruba. "We respectfully request you declare war on Texas. Or the least you can do is not accept any telephone calls from Texas."

Ten people have been chosen by President Ronald Reagan to receive the Medal of Freedom, the United States' highest civilian honor. The list includes Madeline Brodsky, a Soviet émigré who is now the conductor of Washington's National Symphony Orchestra; Ann Armstrong, a Republican party activist and former ambassador to Britain; the retired U.S. Army General Lyman Lemnitzer; the former CIA director John McCone; the United Negro College Fund founder Frederick Patterson; the Project HOPE founder William Walsh, and the philanthropist Nathan Perlmutter. Posthumous awards include the entertainer Danny Kaye and Meredith Willson, and Reagan's California political backer and benefactor, the industrialist Justin Dart. They will be presented June 23.

An etching its owner had hoped might be an original Rembrandt has turned out to be just another picture. Dale Sayre, of Enid, Oklahoma, got the bad news Tuesday from Sotheby's, a New York art dealer, that his copy of Rembrandt's "Christ Healing the Sick" is only a reproduction. He purchased the etching at a Dutch flea market some years ago for \$25.

Vertical advertisements on the right edge of the page, including 'Talks on Resume', 'Dissident Will Leave Class Says', and 'U.S. Attem'.

INTERNATIONAL CLASSIFIED

Real estate and business listings under 'MOVING' and 'REAL ESTATE FOR SALE'. Includes 'USA RESIDENTIAL', 'FRENCH PROVINCES', and 'GREAT BRITAIN' sections.

Real estate listings under 'REAL ESTATE TO RENT/SHARE' and 'REAL ESTATE TO RENT/FURNISHED'. Includes 'Embassy Service' and 'Paris Area Furnished'.

Employment listings under 'EXECUTIVE POSITIONS AVAILABLE' and 'EMPLOYMENT'. Includes 'USA/INTERNATIONAL URBAN DEVELOPMENT SPECIALIST' and 'HOLOGRAPHER REQUIRED'.

Employment listings under 'EMPLOYMENT' and 'GENERAL POSITIONS AVAILABLE'. Includes 'APRIL CARE' and 'DYNAMIC 60-65 YEAR OLD'.

Employment listings under 'EMPLOYMENT' and 'GENERAL POSITIONS AVAILABLE'. Includes 'LADY FLUENT IN ENGLISH' and 'MINERVE SEKS FOR AMERICAN'.

Advertisement for 'MIRIMOTO' featuring a watch and contact information for 'PARIS (1) 47 20 28 28'.

Business listings under 'ATTENTION EXECUTIVES', 'BUSINESS OPPORTUNITIES', and 'BUSINESS SERVICES'. Includes 'AN EXPERIENCED CONSULTANT' and 'BANK GUARANTEES'.

Business listings under 'BUSINESS SERVICES', 'TAX SERVICES', and 'FINANCIAL INVESTMENTS'. Includes 'US/FRENCH TAX RETURN' and 'FUNDS AVAILABLE'.

Business listings under 'FINANCIAL INVESTMENTS', 'OFFICE SERVICES', and 'AUTOS TAX FREE'. Includes 'AMERICAN TV ANCHOR' and 'MERCEDS 500 SEL 4.0'.

Business listings under 'HOLIDAYS & TRAVEL', 'AUTOMOBILES', and 'HOTELS'. Includes 'AFFORDABLE FLORIDA vacation' and 'FOR SALE'.

Vertical advertisements on the right edge of the page, including 'Kiosk', 'Chief of MIG', 'Homosexual', and 'Page 6 FOR MORE CLASSIFIEDS'.